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Latin America Report



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INTER-AMERICAN AFFAIRS

COMMONWEALTH MP'S BACK DEFENSE PLAN; BARBADIAN COMMENTS

Bridgetown BARBADOS ADVOCATE in English 24 Jan 85 p 1

[Text]

LONDON, Wednesday, (CANAL-
Reuter) — Commonwealth
Parliamentarians, spurred by
international concern over the
United States led invasion of
Grenada, called today for creation
of the grouping's first Defence
Force, composed of regional rapid
deployment units, to help small
countries defend themselves.

Commonwealth countries in each
region should contribute troops to a
small, well-armed "ready reaction
unit" which could be deployed at short
notice to meet an external threat to any
member, they recommended.

The proposal, likely to be con-
troversial, was made in a report issued
by a study group of the Commonwealth
Parliamentary Association and in-
tended for discussion at a Com-
monwealth summit expected in the
Bahamas next October.

Creating a Defence Force would be a
major departure for the Com-
monwealth, a 49-nation group of former
British colonies which serves as a
forum for political and economic talks
but has no military role and is not an
alliance.

The study followed growing concern
over small states' security since the
1983 U.S.-led invasion of Grenada,
which some Commonwealth members
condemned but others took part in or
supported.

Two-thirds of the world's 38 'small
states' — countries with fewer than one

million people — are Commonwealth
members.

They include many independent
Caribbean and Pacific Island states
which are too poor and small to
maintain their own armed forces. This
makes them vulnerable to enemy at-
tacks and to incursions by fish poachers
and drug runners.

The proposed Commonwealth
Defence Force would be banned from
interfering in members' internal af-
fairs and would act only when invited
by a legitimate Commonwealth
government, the parliamentarians
said.

They listed invasions of, and threats
to, Commonwealth countries in recent
years and said they showed that small
states could not defend themselves
alone and no body existed which could
react quickly enough to protect them in
an emergency.

"In any emergency situation, it is no
use small units trying to depend on the
United Nations for help," said Sir
Arnott Cato, president of the Barbados
Senate and head of the study group.
"We have got to get together regionally
through the Commonwealth to try to
help ourselves."

In addition to the Force, the group
proposed that a Commonwealth
Development Fund should be formed,
that African Caribbean and Pacific
Trade Ministers should discuss setting
up a fund to stabilise commodity prices,
and that parliamentary government in
small states should be strengthened.

INTER-AMERICAN AFFAIRS

TOPICS OUTLINED FOR BARBADOS TALKS WITH TRINIDAD, GUYANA

Bridgetown SUNDAY ADVOCATE in English 27 Jan 85 p 1

[Text]

BARBADOS is sending high-level government delegations to Guyana and Trinidad and Tobago early next month for economic co-operation talks, Prime Minister Tom Adams said yesterday.

The ministerial discussions in Port-of-Spain are the forerunner to a long-awaited summit between Mr. Adams and Trinidad and Tobago Prime Minister George Chambers after a period of tension in relations between the two states.

Mr. Adams said civil aviation, trade and the suspended Caribbean Community (Caricom) Multi-lateral Clearing Facility, a loan clearinghouse to support regional trade, will feature prominently in the talks.

Speaking on a Current Affairs programme on the independent Voice of Barbados radio station to be broadcast today, the Prime Minister said he would also ask that petroleum be made an agenda item.

He later told the Caribbean News Agency (CANA) that the discussions with Guyana will touch on the timber and fishing industries. No dates have been confirmed for either session of negotiations, but they could start as early as next week, Mr. Adams indicated.

He declined to elaborate on the nature of the talks with Guyana, but a senior government official told CANA this week that Barbados wanted to conclude economic treaties with the fellow Caricom state that would involve the use of Guyana's timber and fishing banks.

The proposals include Barbados importing semi-processed Guyanese hardwood, as a substitute for softer American varieties, to be finished and re-exported to Eastern Caribbean states.

The two countries are also considering setting up a joint fishing company with an unnamed foreign firm. Under the proposal, the company would secure fishing rights in Guyana while the processing would be done in

Barbados. The company would market the product with an eye eventually on the North American market.

Barbados, it is proposed, will foot the foreign exchange component of the handling facilities in Guyana, while Georgetown will pay the local cost of debts owed to Barbados under the CMCF. When the facility collapsed in May 1983, these totalled US\$65 million.

The two states, the official said, will also discuss what was described as "tension" in Caricom over sugar.

Specifically some Caricom states allege that Trinidad and Tobago and Jamaica, which do not produce enough sugar for export, are selling their output abroad in preferential markets to capitalise on guaranteed above world market prices. They then import sugar from cheaper non-Caricom sources while other Caricom states like Barbados, Guyana and St. Kitts and Nevis have surplus stocks, the official said.

Guyana and Barbados will attempt to co-ordinate sugar export policies, he added.

Regarding the talks in Port-of-Spain, Mr. Adams said Barbados wanted to integrate its small petroleum industry and needs completely with oil-rich Trinidad and Tobago.

But he said there were technical supply difficulties to be ironed out.

Over the past year, he added, Barbados and Trinidad, were able to reach a number of agreements on this question, including the currency of account of petroleum sales.

Trinidad sells Barbados Bds\$60 million of the fuel annually, he said.

INTER-AMERICAN AFFAIRS

BISHOPS FEAR INCREASE OF RELIGIOUS SECTS IN LATIN AMERICA

Prelates' Comments

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Jan 85 p 9

[Text] Bishops of Colombia, Argentina, Peru, Chile and Brazil expressed concern at the proliferation of sects in Latin American countries. Meeting in Brasilia in a meeting promoted by CELAM [Latin American Bishops Conference], the bishops attributed it to failures of the Catholic Church itself.

The archbisohp of Brasilia, Jose Freire Falcao, who heads the CELAM Department of Ecumenism, said that "aggressive proselytism by those sects has been a serious obstalce to the work of the Church on the continent performed by the traditional Christian churches."

He attributed the increase of those sects to various factors, one of them the "religious ignorance" and "failures" in the behavior of the Catholic Church inself, which, in his opinion, should review its "intellectualist and extremely rational" posture.

The auxiliary bishop of Buenos Aires, Don Mario Serra, declares that the growing presence of sects is a "historic challenge." He advocated the need for seeking new roads of evangelization because, as he declared, the position of the Argentine church is not one of antagonism or confrontation with those sects but it is one of seeking a greater dissemination of the Christian message.

CNBB adviser, Father Felix Neffis, who also is participating in the meeting, said that this is a complex phenomenon, which is taking place not only in the poorest strata of the population, but also among the young of the higher classes. He also accused some of those groups of receiving resources from abroad for the financing of their work and went as far as to denounce the presence of infiltration of persons linked to the CIA in sects in Brazil.

The representative of Chile in the meeting, Father Francisco Sanpedro, secretary for Ecumenism of the Episcopal Conference of Chile, attributed the proliferation of sects to the inefficiency of the work of evangelization

performed by the church, which in his opinion generates the superficial training of Catholics, and also the doctrinal position adopted by the Catholic Church. "Some of those sects," he declared, "have perhaps felt the sensibilities of the Latin American people, offering a better reply to their desires."

Dom Jose Freire Falcao said that the results of that meeting will be taken to the next assembly of CELAM, which will be held in Costa Rica in March. He said that the Secretariat for the Union of Christians of the Vatican has asked all episcopal conferences for a survey of independent religious movements, which are spreading throughout the world, so as to better analyze the problem.

Bishops' Synod

Rio de Janeiro O GLOBO in Portuguese 29 Jan 85 p 6

[Text] Salvador--The Synod of Bishops announced by Pope John Paul II for November this year does not have the objective of revising the directives of Vatican Council II, but it will make a balance of what has taken place as a result of the new positions adopted by the church, it was explained yesterday by the Archbishop of Salvador and primate of Brazil, Cardinal Avelar Brandao Vilela.

Dom Vilela said that up to now he has received no official communication from the Vatican with respect to the Synod and that only the pope himself can state explicitly what subjects are to be discussed during the meeting. He said however that from what has been learned from news revealed by the media, the pope wants the entire church to engage in reflections, to make a balance of the practical results of Vatican Council II and that the documents of the council be well examined to see whether they were well or poorly interpreted. Based on that, the bishops will study what must be added to those documents so that they may be correctly understood.

Dom Avelar emphasized that it does not mean a revision, because the council is an official assembly of the church and has its objective value in its permanent nature, therefore, its directives cannot be changed.

To make a broad investigation of the independent religions movements; revitalize the pastoral activity of the church in the most "unprotected" areas by means such as the Base Committees; not to lose the willingness to talk with other religions, even with the most "aggressive," are suggestions presented by the churches of Brazil, Argentina, Chile and Peru in dealing with the increase in religious sects in Latin America. The discussion initiated last weekend should continue in April on a world level at the Vatican.

8908

CSO: 3342/95

ANTIGUA AND BARBUDA

WORKERS WIN 12.5 PERCENT INCREASE IN ATLU-GOVERNMENT TALKS

St Johns THE WORKERS VOICE in English 19 Jan 85 p 1

[Text]

Negotiations between a committee appointed by Government to negotiate for them with the A.T.L.U, the proposals for better working conditions on behalf of all Government non-established employees resulted in a dead lock last week after a dozen sessions. Management referred the matter to the Labour Commissioner after either side refused to move from positions on an increase of 15% demanded by the Union, and 5½ per cent offered by management.

In his efforts to conciliate, the Labour Commissioner got the Union to come down to 12½ % and the Government committee to move up to 8%. The Union at the meeting found that it was impossible for it to go any lower, and gave the reasons why. The Commissioner then suggested that in the National interest both sides should compromise and accept 10%. The Union pointed out that the non-established workers have been compro-

missing and making sacrifices over the last decade now. They were forced to give up (wrongfully) a half day's pay and take home less money weekly because the government said that they had no money. Hundreds of them have been put on pension and sent home years now, but have not received a red cent yet. Over ¼ million dollars are due to hundreds of them in vacation leave pay from 1970 onwards and they have not received any money yet.

The matter was referred to the Rt. Hon. Prime Minister, who is acting for the Labour Minister.

Both parties were summoned to a meeting at the Labour Department by the Labour Commissioner on Wednesday Jan. 16th. The Commissioner informed both parties that the Prime Minister took the issue to Cabinet and it was agreed that the employees would receive the 12½% increase with the attached conditions

(1) That any request for future increments should be justified by documentary evidence. (2) That the present increase should be for an indefinite period.

The Union had no quarrel with the first condition as they had all the documentary evidence to support their original claim. But the second condition was immediately rejected. The Union advised the committee to get that condition withdrawn, as it would never be accepted by the Union. The Union had asked for a review of wages after the the first year of the contract, but because half of the year had already gone, the union modified its offer and agreed.

to a review of wages during the second year of the Agreement.

A further meeting is scheduled for Monday 21st Jan. at 10. o'clock at the Labour Dept. where both sides would discuss the minor points and decide on a method of adjustment of wages.

The union is satisfied that taking the national interest into consideration, that it has done its best for its members, who have always been kept abreast of what was happening, and are satisfied that better could not have been done.

CSO: 3298/397

ANTIGUA AND BARBUDA

ATLU ORGAN REPORTS DEFECTION OF HECTOR COLLEAGUES

St Johns THE WORKERS VOICE in English 12 Jan 85 p 1

[Text] "Lieutenants flee from General Tim Bolo".

Well Tim Bolo we are back this week as we promised and we are baffled as to where you stand and we would like to know what has become of your lieutenants. To begin with the second Speaker of the House, Harold has decided to call it quits. As mentioned last week where there is no vision the people perish.

There is no future in ACLM for him. No love, no money, no transport. He cannot afford to depend on his family no longer - so away to law school in London to make himself somebody. During this time the General himself has plenty love, plenty money and Lady Tim Bolo still drives one of the expensive and prestigious cars in Antigua.

Next in line to leave you Tim Bolo is the "Chicken King sheep man". Being chairman at the ACLM public meetings the Chicken King man used to condemn foreign investment brought to this State by the ALP. He used to criticize every Minister

of government - especially the Minister of Agriculture who in turn was the first to come to his assistance when he had no where to tend his sheep. Secondly, things took such a bad turn when his love life became a total failure. He had no money, no transport. To put it bluntly he was like a walking mule leaning on one side. Thank God the St. James's Club came to his rescue. You can bet your life Bolo you will never see him on your platform again. A hungry man is an angry man. When horse see death ah dem eye dem no kay whay dem throw dem massah.

Next to leave was poor Jeffers. We would not like to comment why Jeffers left, but as the old saying goes when you pit up in de air e drop back in you face. The mistake you made was to spit up poor Jeffey, but Bascus drop back down to take up cudral for Jeffers and you nearly faint. Now Tim Bolo it seems as though you are the only chief with no indians. Something got to be wrong.

All the lieutenants mentioned previously are homeless, without money

and without transport, while the General lives in luxury with a home, money and transport and doesn't give a damn what becomes of his lieutenants.

News just coming in that Kernel Gadaffy has just sent two accountants to check on the finances of the General. What will become of the General if after the audit is conducted, ACLM's accounts show a debit, but strangely enough Bolo's account shows a huge credit (in millions). General Tim Bolo take a warning, you know if you are found wanting, Kernel Gadaffy's policy is "over and out".

Suprisingly enough a rasta man who was a member of the commune is also trying to figure out where did the money go. He explained to us that he has worked night and day without reward and Tim Bolo was the one that gathered the fat from the commune. The last thing he said is that Bolo is jumping from the frying pan to the fire.

Wet you beard Bolo, we will be back next week. We are capable enough to handle you.

ANTIGUA AND BARBUDA

TALKS WITH ISRAELI AGRICULTURAL FIRM HIT BY OUTLET

FL151730 Bridgetown CANA in English 1651 GMT 15 Jan 85

[Text] St Johns, 15 Jan (CANA)--The Antigua and Barbuda Government has been having discussions with an Israeli company which wants to go into vegetable production here, according to Agriculture Minister Robin Yearwood. The company was not named, but Yearwood said it was operating in Jamaica. We are presently holding discussions with an Israeli company who wants to come in here and do the vegetable production, Yearwood remarked. This company would like to set up, in the first phase, a 50-acre farm with all the modern techniques.

Contacts between the company and the Antigua and Barbuda Government were disclosed this month by OUTLET, a newspaper published by the leftist opposition group, the Antigua Caribbean Liberation Movement (ACLM).

The paper claimed the government's initial plan is to make between 2,000 and 5,000 acres of state-owned land available to the Jewish agro-business firm. The company, according to OUTLET, wanted to produce vegetables and fruits primarily for the Israeli market and for the local tourist industry.

OUTLET was critical of the company's plan to set up an operation here, describing it as an example of Israeli expansionism. It indicated that it favoured government aid that would allow local farmers to produce more and that would stop commodity prices from plunging during gluts.

CSO: 3298/397

ANTIGUA AND BARBUDA

BRIEFS

ANTICOMMUNIST POLICY--St Johns, Antigua, Saturday (AP)--Foreign Minister Lester Bird pledges that Antigua and Barbuda appreciates the help it has received from the West and will "not bite the hands of those people." Mr Bird said his nation won't pursue links with Communist ideologies and assured that the interests of its Western allies or the welfare of its own people won't be threatened by "flirtations" with those people opposed to the West. Mr Bird made his comments in a New Year's address. He said that although Antigua and Barbuda experienced a drought in 1984, the nation was largely spared the suffering and famine that afflicted much of the world. He said the past year didn't reflect the dire image of 1984 foretold by author George Orwell, but he said there were many dark clouds in the world and few silver linings. [Text]
[Bridgetown SUNDAY ADVOCATE in English 6 Jan 85 p 3]

AGRICULTURAL LOAN--Government has secured a substantial loan from Barclays Bank International, to ensure the economic viability of its agricultural production and export programmes. The disclosure comes from the Permanent Secretary in the Ministry of Agriculture, Lands and Fisheries, Mr Ernest Benjamin. He says the ministry has acquired approximately \$160,000 from the bank, to be used to purchase inputs such as fertilizers and seeds for farmers, who are associated with the Central Marketing Corporation's export marketing programme. According to Mr Benjamin, the money will also be used to set up collection centres around the island. Antigua and Barbuda stands to gain about 1.2 million dollars from the export programme to Miami, Canada and the United Kingdom. Mr Benjamin says the export programme is centered around increased emphasis on the sector and it calls for the export of some 56,000 pounds of vegetables weekly. This consists mainly of 40,000 pounds of cucumber, 6,000 pounds of ochro and 10,000 pounds of hot pepper. [Text] [St Johns NATIONS VOICE in English 28 Jan 85 p 6]

BARBUDA DEVELOPMENT--The year 1984 was the first year of operations for the Barbuda Industrial Development Agency...and a spokesman says the agency can look back at the past year with some measure of satisfaction. Chairman of the Agency, Mr Hakim Akbar says that during 1984 a number of projects got started in Barbuda...but more importantly...the mechanisms upon which future projects can be based, were put into place. These include the agency itself...the First Bank of Barbuda, the Barbuda Agricultural Development Agency and Barbuda Tours Limited. All four agencies are already making their contributions to the development of Barbuda. Mr Akbar says this year will be very critical for

Barbuda but it will also be another successful year. He says an extremely fast pace has been set and this must be maintained throughout the year. Sounding a note of caution, Mr Akbar says there are some people, who for political or selfish reasons, do not want to see developments take place in Barbuda. These people, he says, will double their efforts to end whatever has been accomplished. He says, however, that there are many Barbudans who are sincere and want to work along with the government to continue the work of development. [Text] [St Johns NATIONS VOICE in English 11 Jan 85 p 6]

OIL SALES REVENUE--The ministry responsible for energy wishes to advise the public that the Government of Antigua and Barbuda has earned \$621,000 as its share from the sale of oil received from the Federal Republic of Nigeria over the last few months. The ministry draws the attention of the public to a contract concluded between the West Indies Oil Company (WIOC) and the Nigerian National Petroleum Company (NNPC) for the supply of crude oil. Under this contract, WIOC has secured three liftings of crude oil as promised. These liftings have been traded on the world market in keeping with the sales agreement with Nigeria, since the control centre at WIOC was burnt out earlier this year rendering the refinery inoperable. Plans for the rebuilding of the control centre are being considered together with a feasibility study by the U.S. firm, Bachtel. The study recommends that the refinery be expanded to produce 50,000 barrels per day. While these plans are being studied for the earliest rehabilitation of the refinery, WIOC has traded the oil received in order to earn revenue for the company and the government. [Text] [St Johns NATIONS VOICE in English 11 Jan 85 p 2]

SUIT AGAINST HECTOR--The editor of the OUTLET newspaper, Mr Leonard "Tim" Hector has been charged by the police for printing a false statement in the OUTLET newspaper of 24 August 1984. In the issue, Volume 12 No 32, it was printed that, "It is an open secret that a certain minister in the Bird Cabinet recently collected US\$2 million in the Bahamas and was transporting the loot to London via Miami when he was stopped by the U.S. Intelligence Officers at Miami International Airport. He is reported to have pleaded that the money belonged to De Savary." Mr Hector is being charged under the Public Order Act (No 9 of 1972) as amended by Public Order Act of 1976 (No 17 of 1976). This matter is slated for 15 January 1985 in the St John's Magistrate Court. Mr Hector also faces charges of libel brought against him by Cabinet ministers the Hon. Lester Bird and the Hon. Molwyn Joseph for the written and spoken word. [Text] [St Johns NATIONS VOICE in English 11 Jan 85 p 2]

CSO: 3298/397

ARGENTINA

CENTRAL BANK PRESIDENT DEFENDS ECONOMIC REFORM POLICIES

Buenos Aires SOMOS in Spanish 11 Jan 85 pp 56-58

[Interview with Enrique Garcia Vazquez, president of the Central Bank of the Argentine Republic, by Ana Maria Bertolini: "The Rates Man"; date and place not specified; passages enclosed in slantlines printed in italics]

[Text] They say that as an economist, he is a good politician. The foreign bankers seem to have kept this definition in mind after Bernardo Grinspun slammed the door. They implied: "We prefer to negotiate with Enrique Garcia Vazquez." That is the way it was.

However, no one is giving laurels to the president of the Central Bank of the Argentine Republic, not even his party. This past December the liberated rates climbed more than 50 percent. The head of the Radical Youth, Jesus Rodriguez, questioned his administration. Senator Ricardo Laferriere asked for his removal and the minister of economy himself made him responsible for the prevailing inflation.

What does Enrique Garcia Vazquez answer to all this?

[Question] The year has ended. It is time for an evaluation: the good, the bad, the mediocre....Where do you want to begin?

[Answer] At the foreign sector and with one reservation: the problems we inherited were not few or easy. If I don't summarize the situation inherited, things might not be understood. There was an agreement with the IMF that was not carried out, minimal foreign reserves, considerable delays in payments, total disorder. The accumulated debt was overwhelming and, as if this were not enough, we had major problems in commercial and financial relations.

[Question] What did you do to set things right?

[Answer] I think a lot was done. There has been growth and there will be more growth. The agreement approved by the IMF means reorganizing the entire foreign debt. Its due date has been renegotiated. Funds have been found to pay overdue interests. Obviously this is going to create very different expectations. I think the balance is very favorable in the foreign sector. Just think, an unprecedented agreement with the IMF was reached....

[Question] Why do you say that?

[Answer] Because it is based fundamentally on a /gradual/ attack on inflation, not a /shock/ tactic. Inflation of 300 percent is predicted between October 1984 and October 1985. This is unprecedented. For the first time, a system was found that was not extremely recessive.

[Question] Your interpretation of the foreign front is positive but...what is happening at home?

[Answer] I would say that the internal private sector--fundamentally the financial sector--is the most delicate. It is the one that suffered and suffers perhaps from the most serious disease. We have a very distorted system, an economy that suffered and still suffers a high budget deficit and does not have lendable resources because it does not have domestic savings. In Argentina there is the paradox that the more money that is issued, the less money there is in real terms.

[Question] Why is that?

[Answer] Because money has great velocity; the speed of circulation increases. This happens because the Argentines part with the money. They are not dumb; they know that /inflationary tax/ affects it. Since Argentina does not have liquid savings and does have a very /spread out/ bank system (developed imprudently in the past with great liberalness about approving branches), there are many banks with almost nothing to lend.

[Question] Oversized, in other words.

[Answer] With reference to liquid savings, yes.

[Question] What do you plan to do about this?

[Answer] Argentina is totally demonetized. We are pledged precisely to monetizing that economy so that the relationship between money and the gross product improves. That would give the banks more loan capacity. However, such an imbalance is not changed overnight. We are slowly trying to change it. It is also a unique system here. The Central Bank here pays interest to depositors, collects bills....In other words, it is in the middle of an unusual, unprecedented system. We are trying to create another system that agrees more with our financial reality.

[Question] In other words, carry out a financial reform....

[Answer] That is what we are doing.

[Question] Some say it is not noticeable.

[Answer] It is easy to give opinions on this with little knowledge.

[Question] Do you say that because of Senator Laferriere?

[Answer] No, no. He did not even come to mind. We are going to the banks and telling them that they are the ones that should attract deposits, pay depositors, look for borrowers, collect from the borrowers....The Central Bank should not be in the middle, paying and collecting; that is incredible. Well, there has been a lot of progress in this, I assure you. I also assure you that it is very difficult terrain with many obstacles in the road.

[Question] What will the basis of the financial reform be?

[Answer] To achieve a system that channels financial resources--that is, the savings of the people. It must channel them well and try to increase them.

[Question] The Coordinating people demand a reform, a surgical operation--quick, forceful. Why don't you?

[Answer] Because under the current circumstances in Argentina, that cannot be done. There have been financial reforms like surgical operations but that always means massive transfers of revenue. At this time, unfortunately, financial resources are very expensive. It is necessary to proceed now very consistently, with continuity and moderation and always in the same direction.

[Question] Credit is very expensive. At the same time, there are banks that spend 25 percent of every peso they lend....How can this be understood?

[Answer] It is due to the fact that, on one side, there is little liquid savings and, on the other, too many branches. If you have a shirt business with branches everywhere and few shirts to sell, the fixed expenditures (personnel, electricity, gas, rent, taxes) would eat you alive.

[Question] To some, the solution is to close branches. What about you?

[Answer] I think that is one way but not the only way. It also has its costs. I think there are other services that many European banks provide that are not yet carried out in Argentina.

[Question] What happened to that bill to limit the number of branches to 40?

[Answer] That was not exactly the bill. Anyway, it remained a bill. We at the Central Bank are making a study (that is already well underway) on measures in the event inefficient branches are closed.

[Question] What does that consist of?

[Answer] A negotiated, shared solution agreed on with the private banks to see which branches have losses, how much and where. Because it is not good for the banks either to have branches that chronically yield losses....These are generally the branches that operate in places where there are many banks with little to lend.

[Question] Is that why the Bank Stability Law was vetoed?

[Answer] Well, the Executive Branch made the decision on that. As you will understand, it is not my place to judge that position.

[Question] I assume that the decision has to do with the bill to close branches, doesn't it?

[Answer] Not necessarily.

[Question] What happens with the state banks? Are they also oversized?

[Answer] It is the same problem. They must be subjected to a very strict expenditure system. It would not be fair if the state banks did not make a similar effort to that of the private banks.

[Question] What do you think is the real function of foreign banks? To be part of the financial system or limit themselves to intermediation in foreign trade and foreign investment?

[Answer] I think the foreign banks have a very useful function in those aspects you mention: to improve the commercial, economic and financial relationship with their countries. That is the basic function of foreign banks everywhere. At this time, the objective is for the banks to follow a moral policy. Those that carry out improper operations will not remain in the Argentine financial system.

[Question] Let me read you something: "If the Central Bank had monetary resources under effective control, the monthly inflation rate would be 6 or 7 points." Bernardo Grinspun said this. It might be said that he blames you for inflation. What is your response?

[Answer]

[Question] You don't want to answer?

[Answer] No.

[Question] Excuse me but I have to ask you....

[Answer]

[Question] Can't I ask you about your disputes with the Coordinating group? About what Jesus Rodriguez or Ricardo Laferriere say?

[Answer]

[Question] What do you want to talk about?

[Answer] Positive things. For example, the \$275 million advance that the IMF immediately granted to the Central Bank. This means that the fruits of the agreement are already visible. It seems to me that in an incipient democracy which we are still not used to, we should clearly point out the positive aspects.

[Question] I point them out with great pleasure. But I cannot ignore inflation of 19 percent, rates that climbed to 50 and that continue at 29....

[Answer] You did not ask me about that. You asked me about people.

[Question] If I now ask you about the rates, you are going to leave me with the lack of liquid savings....That was already clear. It is not clear, however, why Grinspun, Laferriere and Rodriguez say what they say. Who negotiated the foreign debt, Grinspun or you?

[Answer] Wait a minute....You are referring to the credit at the end of December in some marginal markets. I want it known that the credit has had negative rates the majority of the year. I don't think that is good either but....The other, the settlement of the foreign debt, is a shared achievement of all the people who participated in those negotiations.

[Question] Do you want to name them?

[Answer] No, that would be wrong. However, the people at Central Bank specialize in the foreign sector; they are people that the country has also sent abroad.

[Question] Do you have faith in 1985? In the future?

[Answer] I feel very optimistic because this agreement in the foreign sector and this improvement in the public sector have created expectations in the country. There are going to be new investments, bigger investments. The main thing is to accentuate investment and exports. Understand? Private investment is like a woman: she needs to have confidence.

[Question] Don't you think that depends on her husband?

[Answer] No, believe me.

Laferriere Accuses

The issue is not a recent one; it dates back some time, at least to October 1984. And probably what is at stake here, beyond the numbers, is another internal dispute among the Radicals. At that time several legislators (Ricardo Laferriere, Marcelo Stubrin and Jesus Rodriguez, among others) came out against the Central Bank's policy. The first of them even demanded Garcia Vazquez' head. Today, Friday the 4th, the senator from Entre Rios harped on the same subject. At a press conference, he made statements such as these:

--"We have reached the conclusion that it would be a good idea to have someone like Ricardo Campero in the Central Bank to take control of the funds and directly attack the parasitic markets."

--"It is necessary to gain control of the financial and exchange system. Here we should return to defending producers, punishing speculators, jailing those who commit fraud and rewarding honest and creative workers. That is the only eternal truth for a healthy economy."

--"The disgraceful spectacle of the last few weeks shows us that a complete disregard for liquidity is incompatible with the normal functioning of the economy."

--"The financial system has reached such a state of moral degradation and debauchery that drastic measures are required."

--"The Central Bank should assume its role as the real policeman of the financial system."

7717

CSO: 3348/286

ARGENTINA

GOALS OF MEDIUM-TERM ECONOMIC PLAN OUTLINED

Buenos Aires LA NACION in Spanish 6 Jan 85 p 16

[Text] Despite the existing reserve regarding the medium-term plan set up by Planning Secretary Juan Sourrouille, some of the goals set for the remaining 5 years until the end of the constitutional mandate of Dr Raul Alfonsin have become known.

If the budgets of the plan are met, the results in the opinion of the economists who participated in its formulation would be as follows:

- Growth of the GDP is estimated at a cumulative 4 percent annually.
- Exports should increase at a cumulative 7 percent annually in constant dollars, in order to reach that goal.
- To accomplish the increase in exports, the plan foresees a cumulative 10 percent annual growth of imports (as is known, government rules in this connection are based on the linking of imports to the exporting capacity of those making purchases abroad).
- In order to attain the growth of exports and, consequently, of the GDP, investments should increase at a cumulative 11 percent annually.
- The medium-term plan anticipates a reduction in the public sector. From the equivalence of 44.5 percent of the GDP, it would drop to 41.8 percent by the end of the term of the plan.
- In the area of exports, it is estimated that industrial products will show more dynamic growth than farming products. This is combined with the forecast of a growth of foreign purchases in real terms that is proportionately higher than that of exports. The plan estimates that foreign sales of the industrial sector will grow 21 percent annually, while those of the farming sector will grow at a rate on the order of 10 percent annually.

With respect to next year, the plan estimates that the trade surplus will be on the order of \$4.4 billion, and the fiscal deficit will be slightly above 5 percent of the GDP, three points lower than that of last year.

With respect to the public debt, the document states the need to reallocate resources, and considers the need to reduce the payroll of public employees by 20 percent. In the matter of public investment, it proposes to allocate 8 percent of the GDP to that sector in the current year.

Two developments evolve from the document in order to ensure fulfillment: a high rate of exchange and a stable political situation during the period of implementation.

Moreover, there is a warning about the dangers of further isolating the country by means of what is described as a defensive reaction of closing of borders.

In that sense, a gradual reduction of the higher tariffs and support of the industry that supplies the farming sector are suggested. And although it is not specifically mentioned, it is surmised from the text that the way to promote the inflow of foreign capital would be the assurance of political stability and the continuance of a high rate of exchange.

Finally, the document points out the need to bolster savings in order to sustain a continuous process of investment, and underscores the support that will be given to a better utilization of natural resources and an improvement of the competitiveness of the manufacturing industry.

8414

CSO: 3348/277

ARGENTINA

EXCLUSIVE IMPORT FIRMS ABOLISHED BY NEW REGULATION

Buenos Aires LA PRENSA in Spanish 3 Jan 85 p 3

[Text] The new import regulations intended to provide flexibility for the purchase of products abroad, which will take into account the supply and the prices of the goods produced in the country, went into effect yesterday to last until 30 June of the current year.

When announcing Resolution No 1,325, which complements Decree No 4,070 of last 28 December, a highly-placed source at the Commerce Secretariat pointed out that more flexibility will be allowed hereafter in transferring items from the list of banned products to the one requiring consultation, and viceversa, and he also asserted that cases of monopoly in setting prices and supplies will be prevented in this manner, and that it tends to provide tariff regulation without indefinite suspensions of certain imports.

The new regulation summarize the legislation concerning imports, though it has some innovations such as the tie-in of imports and exports. This means the end--according to the source--of the strictly import enterprises, inasmuch as preferential treatment will be given for the purchase of goods abroad subject to the exports made under special programs.

Anotner mechanism being incorporated is that products included in Appendix II, which require previous authorization, will be automatically permitted upon approval by the Industry Secretariat. Until now, those products required the action of the Honorary Import Advisory Commission.

As the source indicated, there will be no need hereafter to ban the import of anything that is nonessential, though this does not mean that unnecessary luxury products will be allowed to enter the country.

On the other hand, exemption from the mandatory submission of sworn statements on import needs is raised from \$500 to \$1,000 per import-duty declaration [sic].

Application

The rules apply to importers of the public and private sectors, and the enforcing authority will be the Foreign Trade Secretariat.

With regard to the submission of new import statements, that agency will not accept any for a period of 10 days while it processes those already on hand.

8414

CSO: 3348/277

ARGENTINA

BRIEFS

KUWAIT FIRM-CORDOBA TRADE--Cordoba--Following an interview with Dr Eduardo Cesar Angeloz, governor, Messrs Al Humaidhi and Risahan Al Bayes, representatives of the firm Varna Enterprises which forms part of a private group based in Kuwait, told newsmen that "to us, Argentina is an ideal country to trade with because of the great importance of its agriculture, livestock production and technology." The visitors pointed out that Varna Enterprises has been specifically created to promote Argentine products in the Middle and Far East, to which end it has already made the first contacts, and they noted that the talks will end shortly and then will go into effect. They also emphasized the importance of having our country establish the amount of purchasing credit it wishes to grant, without disregarding the possibility of bartering goods. They pointed out finally that they considered the country ideally suited for establishing import contacts because it is less complicated to negotiate with a factory operating at 40 percent of capacity, inasmuch as its production would increase without a need to make an investment. In closing they said that the Kuwaiti firm, which is interested in a commercial exchange with this province, has furnished the executive power a 400-square meter office in the capital of Kuwait to install a permanent representation with a showroom of Cordoban products. [Text] [Buenos Aires LA PRENSA in Spanish 31 Dec 84 p 5] 8414

CSO: 3348/277

BAHAMAS

VANGUARD PARTY LEADER MC CARTNEY OUTLINES POLICY POSITIONS

Nassau THE TRIBUNE in English 1 Feb 85 pp 1, 4

[Article by Anthony Forbes]

[Text]

DR JOHN McCartney said Thursday night that a Vanguard Nationalist and Socialist Party government will introduce a fairer system of taxation but will not ruin investors who will benefit along with the country from their investments.

Giving a sample of the kind of changes a Vanguard government would make in the present system, Dr McCartney said the party would also institute shorter terms to the House of Assembly and give the electorate the right to recall legislators at any time a majority decides.

Dr McCartney also charged that at the present time the trade unions, the teaching, legal and religious professions are all compromised by the corrupt regime of Prime Minister Sir Lynden Pindling, who he said must go if the country is to improve.

Addressing a "Clean Up Corruption" rally at the Stephen Dillet Primary School grounds, Dr McCartney said that a visitor to the Bahamas once said that the Bahamas is the most beautiful country in the world from the tree tops up.

"He said this because he was appalled by the corruption, squalor and poverty that so unnecessarily dampen too many of our peoples," the Vanguard leader said.

"The Vanguard party, unlike the PLP and FNM, is committed to a programme to do away with this unsightly Bah-

amas beneath the tree tops and here are some of the things that we would like to do," he said.

Firstly, Dr McCartney said, the Vanguard would like to have a fairer system of taxation where those who make more pay more.

"We will not ruin investors with taxes but we will assure that both the investor and the country benefit from the operations," he said. "Everything we do will also be agreed to by the investors and our people."

As an example, Dr McCartney asked whether the Port Authority would not be more valuable to Bahamians if it paid a fair tax to the people instead of "putting it in Pindling's pocket."

"All the businessman wants is to be dealt with equally and fairly," he said. "With this kind of set-up, we could deal with our unemployment problem, give better wages to our people, and plan economic, medical and educational projects, etc. to create a better future for them."

Secondly, declared Dr McCartney, "We would institute shorter terms to the House of Assembly, say three years, and also give the electorate the right to recall legislators at any time a majority decides."

Dr McCartney said that the Vanguard would have effective local government where the people of St Barnabas, St Michael's, Fox Hill or whatever

the areas, can elect local representatives to deal with housing, schools, police problems, among other things.

"We will build a truly Bahamian school system from university down that is open to all and that trains all - we would end the system where political affiliation decides educational opportunity," said Dr McCartney, a former university professor.

"These are just a sample of the kinds of changes that the Vanguard Party would make in our present system to make this a good society from tree top down, but to do these we must hammer in the morning, hammer in the evening and hammer all over this land until victory is won," he said.

"It is obvious to most Bahamians that if our country is to improve, Lynden Oscar Pindling has to go," he said. "At this critical time we Bahamians must exercise all our legal rights outside of parliament to effect this goal, while adhering to the constitutional system."

"However, when Pindling is removed we want to lay the basis for a Bahamas where discussions, democracy, good sense and the intellectual appeal rises above emotions, thus we must not be tricked by the FNM," he said.

Dealing with the Bahamas under the PLP in 1984, Dr McCartney said that today the government is for sale and politicians and the public service are less respected than they have ever been.

He said that as a prime minister making over \$100,000 a year, Sir Lynden has spent \$3.5 million or eight times his salary from 1977 to 1983.

"Pindling, in short, who was a lowly lawyer in 1967 when he became Prime Minister, the Commission showed is a multi-millionaire," Dr McCartney said.

He said that of the money the

Prime Minister received, \$750,000 came from Jack Hayward and E P St George of the Grand Bahama Port Authority and \$670,000 came from his dealings with his close friend Everette Bannister.

"Now while workers in Freeport can't make \$100 a week, St George and Hayward are giving Pindling this money? Why do you think they are doing it? For love of Pindling? No," he said. "They are doing it because they know that Pindling has put our country up for sale..."

"In short, while our workers are unemployed, Lynden Pindling and the Port Authority are living in luxury off their earnings and laughing at us on their way to the bank," Dr McCartney said.

He said that the corruption does not end with the elected officials as the Commission tells of police officials tipping off drug smugglers on raids and helping them in other ways.

"It tells of lawyers who facilitated the smuggling of drugs by shady legal manoeuvres and it illustrates how honesty, the work ethic and truth in our country have been thrown off the Paradise Island bridge by Lynden Pindling," Dr McCartney said.

In short, he said, "In the Bahamas today, your children must be corrupt to be a politician; they must dog up to Pindling and his clique if they hope to advance in the civil service, hard work and industriousness don't count. And they live in danger that the United Bahamian Party may be resurrected again in the form of the FNM," he said.

"But the Vanguard Party urges our people not to be demoralized; for unlike the Church, unlike the unions caught up in money making, unlike the lodges, unlike the educationalists, we will struggle until hell freezes over to straighten out this country," he said.

BAHAMAS

COMMUNIQUE ON TALKS WITH HAITI; TRIBUNE NOTES PROBLEM

Text of Communique

Freeport THE FREEPORT NEWS in English 24 Jan 85 p 3

[Text]

Measures to eliminate problems created by the presence of illegal immigrants in The Bahamas and Haiti are to be recommended to the governments of both nations by Bahamian and Haitian delegations which concluded two days of discussions in Nassau on Tuesday. This was announced in a joint communique issued late Tuesday night.

The delegations also agreed to recommend to their governments mechanisms "for the repatriation and regularisation of the status of their nationals, as the case may be."

Both sides in the discussions, which began on Monday, "reaffirmed the desire of their governments to strengthen ties between the two countries and to promote better understanding among their peoples;" the communique said. "and to this end have recognized the need for a new agreement as an important instrument for the maintenance of peace, good relations, justice and progress between their two countries."

The nine-member Bahamian team was headed by Clement T. Maynard, Minister of Foreign Affairs and Tourism, and included Minister of National Security A. Loftus Roker. Leading the Haitian side was Foreign Minister Jean-Robert Estime.

The communique said Mr. Estime has invited Mr. Maynard to visit

Haiti at a convenient time, preferably within the next three months, and Mr. Maynard has accepted. The delegations hoped that during Mr. Maynard's visit the proposed agreement will be signed.

Following is the text of the joint communique:

On the 21 and 22 January January, 1985, the representatives of the Government of the Republic of Haiti at the invitation of the Government of The Commonwealth of The Bahamas, engaged in substantive talk on matters of mutual interest particularly on the questions of immigration and emigration, both legal and illegal, between their respective territories.

The talks were conducted in an atmosphere of cordiality, mutual respect and friendship. Leading the delegation of the Republic of Haiti was Foreign Minister, His Excellency Jean-Robert ESTIME. Other members of the delegation are:

His Excellency Gabriel ANCION, Secretary of State of Immigration and Emigration

His Excellency Riguard DUPLAN, Secretary of State Ministry of Justice.

His Excellency Serge E. CHARLES, Ambassador of Haiti to the Commonwealth of The Bahamas.

Mr. Max CHARLES, Minister Counsellor & Consul General Embassy of Haiti to The Bahamas.

Mr. Arnold BASTIEN, Director-General of Ministry of National Defence & Interior

Mr. Reynold DESINOR, Chief

Cabinet Officer of Ministry of Commerce

Mr. Guy M. LOUIS, Legal Advisor at the Ministry of Foreign Affairs

Leading The Bahamas Delegation was the Minister of Foreign Affairs, The Honourable Clement T. Maynard, M.P. other members of the Bahamian Delegation are:

Honourable A. Loftus Roker, MP Minister of National Security vice-Chairman of Delegation

Mr. Harcourt L. Turnquest Acting Permanent Secretary Ministry of Foreign Affairs

Mr. Herbert Walkine, OBE Permanent Secretary Ministry of National Security

Mrs. Barbara Pierre, Director of Immigration Department of Immigration

Mr. George P. Stewart Acting Under-Secretary Ministry of Foreign Affairs

Mr. Charles Turnquest Director of Labour Ministry of Labour, Youth, Sports & Community Affairs

Mr. Carlton Wright, Consul, Consulate-General of The Commonwealth of The Bahamas, Miami Florida.

Dr. Peter Maynard, Advisor, International Law Ministry of Foreign Affairs

Both Delegations reaffirmed the desire of their Governments to strengthen ties between the two countries and to promote better understanding among their peoples; and to this end have recognised the need for a new agreement as an important instrument for the maintenance of peace, good relations, justice and progress between their countries.

Further, both delegations have agreed to recommend to their Governments:

measures to eliminate the problems created by the presence of illegal Immigrants in their respective territories; mechanisms for the repatriation and regularisation of the status of their nationals, as the case may be.

Both delegations exchanged views on the current world economic situation in general and the Caribbean region in particular and have underlined the need for international solidarity in addressing world and regional economic problems.

Both delegations exchanged views on other bilateral issues, including the need to promote and develop commercial, educational, cultural economic, scientific and tourist relations.

The Minister of Foreign Affairs of the republic of Haiti expressed his sincere thanks for the warm welcome and hospitality extended to his delegation and has extended an invitation to the Minister of Foreign Affairs of the Commonwealth of The Bahamas, who has accepted, to visit Haiti at a convenient time, preferably within the next three months. Both delegations expressed the hope that on that occasion, the signing of the agreement will take place.

Both Governments have agreed that the talks which have taken place in Nassau during the last two days have laid the basis for closer co-operation between the Republic of Haiti and the Commonwealth of The Bahamas.

The Minister of Foreign Affairs of the Commonwealth of The Bahamas again renewed a cordial welcome and expressed warm appreciation to the Minister of Foreign Affairs and his delegation for their co-operation during the talks and their kind invitation to visit the Republic of Haiti.

Report of 'Insult'

Nassau THE TRIBUNE in English 25 Jan 85 p 1

[Article by Athena Damianos]

[Text]

NATIONAL SECURITY
Minister Loftus Roker greatly offended a high-powered Haitian delegation that was in Nassau this week to work out

a new agreement with the Bahamas Government. The Tribune has been reliably informed.

According to informed

sources, Mr Roker displayed a "hardline, uncompromising and offensively patronizing attitude" towards the delegation, headed by Foreign Minister Jean-Robert Estime.

It is understood that Mr Estime and his delegation were so upset by Mr Roker's behaviour that the Foreign Minister considered leaving without engaging in any further talks. The two-day talks for a new agreement between both Governments opened Monday.

The Haitian Ambassador to the Bahamas, Serge E Charles, said today that, to his knowledge, Mr Roker had not done anything to offend the delegation.

He described Mr Roker as a "tough man who gets his right to the point. He's not a diplomat."

"The talks went very smoothly. The presence of Mr Maynard (Minister of Foreign Affairs) was very important. Sometimes we had doubts as to whether or not we would reach an agreement. I believe that Minister Maynard showed statesmanship. He was a real diplomat. He tried his best to reconcile both sides. We are very appreciative of his efforts and we felt very fortunate to have him as leader of the Bahamian delegation. There is no doubt about that," Mr Charles said.

An informed source said that Dr Peter Maynard, the Minister's lawyer son who was recently hired by his father as a special advisor to the Ministry of Foreign Affairs, was told by Mr Roker to "shut up" when he attempted to speak at the meeting.

Mr Roker, in an obvious reference to Dr Maynard's father, said that he would take the matter up "in another place" at a later date, a source said. The source said that Mr Roker was referring to the Cabinet.

"The entire Bahamian delegation was embarrassed by Minister Roker's attitude and insensitivity to the problem at hand," the source said.

At or near the end of the talks on Monday, Minister Maynard reportedly asked Mr

Roker if he would attend a reception the Haitian Government was holding that night at the Cable Beach Hotel for their Bahamian hosts.

"Minister Roker angrily replied that he was not attending any...reception for any Haitians and that if Minister Maynard wanted to go and eat their...food and drink their...liquor, he was free to do so," the source said.

The source said this statement was made within hearing distance of Mr Estime, who speaks fluent English.

It is understood that Mr Estime was "infuriated" at this statement which he regarded as an insult to himself, his Government and the Republic of Haiti.

It was speculated that Mr Maynard left the meeting to report the day's events to the Prime Minister.

Of all the Government Ministers who were invited to attend the reception that night, only one, Livingston Coakley, turned up. Although he is responsible for Labour matters, Mr Coakley was not selected by the Prime Minister to be part of the delegation.

Mr Maynard showed up at the reception sometime between 9.30 and 10 pm. It was reported that he whispered something to Mr Estime and the two men left together. Tribune sources believed that Messrs Maynard and Estime visited the Prime Minister so that he (Prime Minister) could apologise for Mr Roker's behaviour.

"It is believed that this intervention by the Prime Minister saved the talks from collapse," a source said.

However, Ambassador Charles said that, to his knowledge, Mr Estime did not meet with the Prime Minister after the reception.

He said that Mr Maynard, who had already indicated he would not be able to attend the reception, arrived late to apologise again for his absence.

"For both parties, we were dealing with a very complicated issue. For that reason, I believe the talks were more or less difficult. Both parties tried to the best of their ability to

understand these issues," Mr Charles said.

"What I can say is that there was a clear desire by both parties to understand (each other's) position. I cannot recall any particular statement made by Minister Roker that I would consider to be offensive. Of course, I was in and out of the room. But, quite frankly, I'm sure that if something happened I would have been briefed on it."

Mr Charles said that during the course of the talks, some misunderstandings may have arisen.

"Minister Roker is a tough man. He gets right to the point. He's not a diplomat. He's not the type of man who will use diplomatic niceties. Very frankly, I personally did not have any problems with him and I do not believe any other member of the Delegation did either," Mr Charles said.

Meanwhile, the absence of Attorney General Paul Adderley from the Delegation has raised a few eyebrows. It was felt that Mr Adderley should have been included in the talks which are expected to result in the signing of a legal agreement. It is not known whether anyone from the Attorney General's office was invited to be a part of the Bahamian delegation. Mr Adderley was Minister of Foreign Affairs prior to last October's Cabinet upheaval when Mr Maynard was appointed.

Meanwhile, The Tribune has learned that there is much discontent over the appointment of Dr Maynard to the prestigious, influential and highly paid position of Adviser to the Minister of Foreign Affairs on all matters.

It is understood that quite a number of employees in the Ministry and at its United Nations offices feel that Dr Maynard's salary for a part time job is significantly more than what they make, even though, in some cases, they have the same qualifications and more experience.

It is understood that Dr Maynard is now making more as a part-time employee than he was when he worked full time.

It is claimed that Dr Maynard was going to be hired at \$45,000 a year. However, it could not be confirmed whether this was the salary finally agreed to.

However, the Budget Estimates for 1985 show that \$50,000 has been allocated to the Ministry of Foreign Affairs for consultancy agreements, research and development contracts. This is more than double the approved estimate for 1984 of \$20,000.

The actual expenditure for these services in 1982 was \$15,000. In 1983 it was \$18,932.

Prime Minister Lynden Pindling, as Minister of Finance, prepared the Budget Estimates.

The Tribune tried to contact Mr Roker, Mr Maynard, Mr Adderley and Dr Maynard for comment.

BAHAMAS

POLITICAL STRUGGLE CONTINUES IN WAKE OF DRUGS INQUIRY

Dissent in PLP

Freeport THE FREEPORT NEWS in English 11 Jan 85 pp 1, 2

[Excerpt] In recent weeks, reports have been surfacing, that certain PLP parliamentarians have been pressuring Prime Minister Sir Lynden Pindling and his Cabinet to call for the resignation of three Progressive Liberal Party parliamentarians, and move quickly to hold by-elections for those three constituencies once the seats have been vacated.

Informed sources indicate that PLP party supporters both here and in New Providence, as well as several PLP parliamentarians feel that Mr. Kendal W. Nottage, Member of Parliament for St. Agnes; George Weech M.P. for Bimini and the Berry Islands, and Mr. George Smith M.P. for Rolleville, Exuma, should vacate their seats in the wake of the findings brought against them by the Commission of Inquiry, which tendered its report to Government in mid December.

A parliamentary member in the PLP said this week that he was concerned that the image of the party had been badly tarnished as a result of evidence given to the recent Commission of Inquiry into drug trafficking and the alleged involvement of high government officials with organized drug smugglers.

He said that the party needs to move quickly to restore confidence in the organization and call for by-elections in those three constituencies. He was however, of the opinion that the Commission's report does not necessitate a general election.

The PLP parliamentarian also remarked on issues regarding the Prime Minister and the sources of large funds not being accounted for in the Commission's report. He stressed that while the monies received by the Prime Minister were outside the Commission's terms of reference, that it is not the accepted mode or standard for any Prime Minister to receive large sums of money, the sources of which cannot be accounted for.

He said that the party (PLP) will have to take the report seriously and debate it at both level of the House. Also that the party must have the courage to clean up its image and restore confidence so far as the public is concerned in its parliamentary representation.

Political observers here feel that both Mr. Nottage, the former Minister of Youth Sports and Community Affairs and Culture and Mr. George Smith, ex-minister, of Agriculture Fisheries and Local Government, did the right thing when they resigned their cabinet post in October of last year. However, like many supporters of the opposition Free National Movement, many PLP followers feel that the two should have retired from political life once the Commission had reported its findings against them.

Adderley Response to FNM

Nassau THE TRIBUNE in English 23 Jan 85 pp 1, 14

[Excerpts] ATTORNEY General Paul Adderley today denied he was doing nothing about the Commission of Inquiry's recommendations to his office; rejected what he called "threats and intimidating language" by Opposition leaders and appealed to them to "restrain their appetite for power" and put the interest of justice before their "political ambitions."

"It is to be regretted," he said, "that for the second time in days I have been obliged to reject the threats and intimidating language directed at the Attorney General by firstly Mr Kendal Isaacs, the leader of the Free National Movement, and secondly by Mr Cecil Wallace-Whitfield, its chairman."

Mr Adderley was referring to January 15 when Mr Isaacs dared Mr Adderley to prosecute him for making a "groundless" accusation to the Public Disclosure Commission against Prime Minister Pindling.

To that Mr Adderley replied that the Disclosure Commission was in "error" when it referred to the complaints filed by Mr Isaacs and union leader Leonard Archer as "groundless." The word, said Mr Adderley, should have been "unsubstantiated," which meant that the matter should never have gone to the Attorney General for him to consider prosecution.

[Editor's Note: On 24 January, page 1, THE TRIBUNE notes that Mr Adderley had "corrected" an "error" in this article. Referring to the above paragraph, THE TRIBUNE says: "In fact Mr Adderley did not say that the Commissioners were in error. The Secretary to the Disclosure Commission wrote to Mr Adderley to inform him that the Commissioners themselves had found that they were in "error" and had used the wrong word. Mr Adderley was only repeating what he had been told."

At an FNM rally Monday night FNM Chairman Wallace-Whitfield charged that Mr Adderley was "doing nothing" about the Commission of Inquiry's recommendations or about the operators of Paradise Island Bridge for charging pedestrians and motorists a fee to cross the bridge.

"It is unfortunate," said Mr Adderley's statement, "that these two leaders of the Free National Movement, both senior members of The Bahamas Bar, one being a former Attorney General, should resort to hurling challenging threats deliberately calculated to intimidate and to pervert the due process of law enforcement."

"Mr Wallace-Whitfield is well aware that the Commission of Inquiry made no recommendation that the Attorney General should prosecute anybody as it would have been unconstitutional for them to have done so or even implied that any recommendation which they made could be interpreted to amount to such a direction to the Attorney General.

"The Constitution specifically provides that in the exercise of his authority to institute and undertake criminal proceedings, the Attorney General shall not be subject to the direction or control of any person or authority. This obviously includes the Commission of Inquiry and Mr Wallace-Whitfield.

"I have to remind the public that what the Report of the Commission of Inquiry did do was, in relation to some persons, recommended that the Attorney General review the evidence to determine what further action may be appropriate in the circumstances.

"It is clearly not in the public interest or in the interest of justice that the leadership of the Free National Movement, who are well aware of the proper course which the legal processes must take, should engage in directing misinformed threats of intimidation at the Attorney General in their thirst for political power.

"I believe the public interest requires that in these matters of major national concern justice be done with regard to all concerned. Unfortunately it is already apparent that these persistent attacks upon the legal process could affect the fair trial of persons who may be affected by the Commission's reports. I have therefore to appeal both to Mr Isaacs and Mr Wallace-Whitfield to restrain their appetite for power and put the interest of justice before their personal political ambitions."

On December 14 - over a month ago - the Commission of Inquiry handed its report to the Governor-General. It recommended:

George Smith, former Cabinet Minister - "the Attorney General review the evidence relating to the Minister to determine what further action may be appropriate in the circumstances."

Howard Smith, former head of the Police Strike Force - "the Attorney General review the evidence relating to this officer to determine what further action may be appropriate in the circumstances."

Everette Bannister, close friend and former business associate of Prime Minister Pindling - "Attorney General may wish to consider what further action may be appropriate having regard to the conduct of Mr Bannister in relation to the Wards and (Kojak) Garcia."

Andrew "Dud" Maynard, former Senator and brother of Foreign Affairs Minister Clement Maynard - "The Attorney General may wish to consider what further action may be appropriate having regard to Senator Maynard's conduct in relation to (Kojak) Garcia."

Langton Hilton, lawyer - "The Attorney General may wish to consider the relevant aspects of Mr Hilton's conduct to determine what the appropriate action may be in the overall circumstances."

Godfrey Pinder, lawyer - "the evidence of attempted bribery on the part of Mr Pinder may well justify criminal proceedings being taken against him. We therefore recommend that this matter be reviewed in the Department of the Attorney General for the purpose of determining what action against Mr Godfrey Pinder would be appropriate in the circumstances."

It was also recommended that the incidents of corruption involving the police in the George Anthony Hicks' case be further investigated. Said the Commissioners: "We are of the opinion that this matter is of enough importance to warrant further investigation. If a policeman acted corruptly, every effort should be made to identify him."

FNM Rejoinder

Nassau THE TRIBUNE in English 25 Jan 85 pp 1, 11

[Article by Anthony Forbes]

[Excerpts] FNM NATIONAL Chairman Cecil Wallace-Whitfield declared this afternoon that three months ago Attorney General Paul Adderley led the nation to believe that he will be "taking some action" against some PLPs as a result of the Commission of Inquiry Report.

The Free National Movement MP for Pine Ridge, Grand Bahama, said that if the Attorney General has decided that it is impossible for him to perform the duties of his office, he should resign as he indicated he would do at the PLP convention in October.

According to Mr Whitfield, Mr Adderley might now consider that he is disqualified, having already jumped to the defence of the Prime Minister and the Government, to continue to act in the position of Attorney General.

Mr Whitfield was replying to a statement issued Wednesday by Mr Adderley, who is also Government Leader in the Senate and Minister of Education, in which Mr Adderley denied Mr Whitfield's allegation that he was doing nothing about the Commission of Inquiry's recommendations to his office.

Mr Whitfield said that Mr Adderley's statement urging opposition leaders to restrain their appetite for political power obviously applies to the Attorney General more so than any other person in politics today.

"This is not the first time that Mr Paul Adderley by his public utterances has led persons to believe that he would take certain actions when in fact nothing then occurs," Mr Whitfield said today.

He said that it was on October 25, 1984, at the PLP convention that the Attorney General informed the nation that: "Sufficient evidence had been led before the Commission of Inquiry which caused him to think that he might have to initiate prosecutions against some PLPs."

"It was he who said that not I," declared Mr Whitfield. "And it appears, therefore, from his own statement, that he had already reviewed the evidence led before the Commission of Inquiry prior to the 25th of October when he made that statement."

"And therefore when the Commission of Inquiry recommended that he should review the evidence for the appropriate action to be taken, it must have been in the context of which he had already spoken at the PLP convention on the 25th of October," Mr Whitfield said.

"That was, some three months ago when he led the nation to believe that he would probably be taking some action," Mr Whitfield said.

Foulkes' Charges

Nassau THE TRIBUNE in English 2 Feb 85 pp 1, 13

[Article by Anthony Forbes]

[Text]

RESORTS and its shareholders' money was poured into the pockets of Prime Minister Sir Lynden Pindling and his close

friend, PLP businessman Everett Bannister, Blue Hills MP Arthur Foulkes told a Free National Movement rally at

Christie Park last night.

In his address to over 100 supporters, Mr Foulkes recalled that he had said at a rally at R M Bailey park that what was revealed at the Commission of Inquiry on drugs was only the tip of the iceberg.

He reminded his audience that when the Commission started, the Prime Minister invited anyone who had information to come forward and let it be known to the Commission.

However, Mr Foulkes said that when Commission chief counsel Robert Ellicott, an Australian Queen's Counsel, started investigating, QCs came "rushing" from Africa, England and Jamaica while other lawyers came from the United States to try to prevent the Commission from getting all the information out to the public.

Asking the crowd whether they remembered the lawyer for the Nottages, Mr Foulkes said that the Commission never did finish with the business of the Nottages (Mr and Mrs Kendal Nottage).

He claimed that Mrs Nottage became ill and went into hospital and the files and the other information she was supposed to come back and give to the Commission, was never given.

"So what I'm saying to you is this: if in that short period of time that the Commission looked into and if all the restrictions and the roadblocks that the various QCs tried to put in the way of Mr Ellicott, if with all of that we found that the man made \$3.5 million more than his salary from '77 to '82, then imagine what happened from '67 to '77," Mr Foulkes declared.

He said that he did not believe the \$500,000 Mr E P St George of the Grand Bahama Port Authority gave to the Prime Minister was not the first sum he had received from the British millionaire.

"If St George gave him half a million then, how do we know that St George didn't give him half a million dollars in '69 or '70 or '72?" Mr Foulkes asked. "How do we know how much money Bannister gave him all

this long period Bannister was here from 1967?"

He reminded supporters that during the campaign for the 1982 general elections, the Prime Minister defended Mr Bannister saying: "He is my friend. I'm not going to let him down, I am going to stand by him."

"He knows exactly why," Mr Foulkes said. "And that is why whenever Bannister went anywhere in this country and say the man sent me, you'd better believe the man sent him."

Commenting on a report from the New Jersey Casino hearing on Resorts International, which owns several hotels on Paradise Island, that Mr Bannister's hiring by Resorts was influenced by the Prime Minister, the FNM MP said: "He was recommended for that post by Pindling."

"Pindling told those people you hire Bannister because he is my man," he said.

On the report that \$1.6 million was lost by Resorts in ventures with Bannister, Mr Foulkes asked supporters where they thought the majority of that money went.

He noted that the Prime Minister and Bannister got Resorts to take over the Las Palmas Hotel in South Andros to run the hotel at the expense of Resorts International for their own purposes.

"Resorts and Resorts' shareholders money was poured into the pockets of Everette Bannister and Lynden Pindling," Mr Foulkes claimed.

He said that about \$500,000 to \$600,000 was spent by Resorts on improvements on Las Palmas with between \$800,000 and \$900,000 being spent on operating costs.

"And you should see the motel in South Andros. The last time I was there I think two tourists were there," he said, adding that the rest of the people at the motel at that time were the Prime Minister and others in his party from Nassau.

He said that operation of the hotel by Resorts, which does business with the Government on a daily basis, is against the Code of Ethics which the Prime

Minister himself enunciated in 1967.

Charging that many in the PLP are now agonizing, Mr Foulkes said that former Deputy Prime Minister and Finance Minister Arthur Hanna resigned because he faced a choice between right and wrong.

He said that Mr Hubert Ingraham, former Minister of Housing and National Insurance, who was fired from the Cabinet the same day Mr Hanna resigned, told the nation that corruption was surrounding him in the PLP.

He said that Mr Paul Adderley, Minister of Education and Attorney General is "huffing and puffing and car-

rying on," while the Public Disclosure Commission has disgraced itself.

Instead of doing what he is supposed to do, Mr Foulkes claimed, Mr Adderley is trying to find fault with FNM and Official Opposition Leader Kendal Isaacs by saying that nobody should talk about what the Attorney General should do.

"If we feel he is not carrying out his function in the political appointment that he has, then we will say so. We cannot direct him as the Constitution says the Attorney General cannot be directed or controlled by any person or authority," Mr Foulkes said.

Assessment of Pindling's Situation

Nassau THE TRIBUNE in English 2 Feb 85 pp 1, 13

[Article by Athena Damianos]

[Text]

POLITICAL forces are closing in on Prime Minister Lynden Pindling. After 18 years of undisputed rule, his options are running out.

In spite of his "election my foot" declaration, opposition both from within the PLP and by the FNM may leave Sir Lynden with little choice but to speed up the date of the next general elections, which must be held by September, 1987.

If he doesn't call an early election, he may find that the rug has been pulled out from under him.

Growing opposition within the PLP coupled with the FNM's new stated policy of continual demonstrations, has greatly weakened Sir Lynden's standing in the party. The current state of affairs in the country, created as a result of the Commission of Inquiry, and fuelled by the recent Paradise Island Bridge scandal, have only served to tighten the political noose around Sir Lynden's neck.

Recently statements from strong PLP supporters have made it clear that Sir Lynden's power is slipping.

•On January 23, Drs Perry Gomez and Ronald Knowles, both strong PLP supporters, said that they were close friends of PLP dissidents Perry Christie and Hubert Ingraham after Government tried to drop them from the Bahamas Medical Council.

•On January 26, well-known PLP supporter Kendal "Funky" Demeritte turned up at an FNM demonstration against Sir Lynden. He told The Tribune, "I still love him (Pindling), but I hate his politics." Mr Demeritte, who was at one time close to Sir Lynden, campaigned for Mr Christie during the last election.

•On Thursday, both newspapers published a letter from PLP lawyer Gladys Manuel. Mrs Manuel said that PLP's must not let Arthur Hanna, who resigned as Deputy Prime Minister last October, stand alone. She wrote that the Christie/Ingraham generation "represents renewal and a capacity within the party to adapt and change."

Sir Lynden has clearly lost support from within his own party. It is unlikely that the

trend will stop now.

Sir Lynden is not unaware of what is happening around him. Sir Lynden still has support in the party which he will use to his benefit - and he is still surrounded by weak men who rely on his goodwill - but his options are running out.

It now appears that he is looking for a new breed of candidate who, he hopes, will sway the electorate.

It is understood that a number of Baptist ministers have been approached about offering themselves as candidates in the next election. The Tribune was reliably informed that Rev Rueben Cooper is interested in representing the PLP in George Town, Exuma in the next election. Rev Cooper was present when the Prime Minister opened the Rolleville Baptist Church on January 20. Some feel he was there to put out political feelers.

Rev Cooper would neither confirm, nor deny to The Tribune that he is interested in the PLP nomination for George Town.

It has also been reported that Warren Rolle, head of the Bahamas Development Bank, has been approached about a nomination. Mr Rolle was in a meeting when The Tribune telephoned him Friday morning. He did not return the call by Press time. Mr Rolle is a member of the Public Disclosure Commission which cleared Sir Lynden of complaints that he had not fully disclosed his assets as required by law. The Commission's finding was contrary to evidence presented before the Commission of Inquiry.

A prominent Nassau doctor has also been approached about a nomination. The Tribune was reliably informed. The doctor was off the island today.

Sir Lynden has no intention, at this point, of calling a general election before the Commonwealth Heads of State Conference can meet here in October. Sir Lynden has allocated \$5 million for the conference in the 1985 Budget. He apparently feels that the presence of so many Commonwealth heads will restore his kudos locally and perhaps internationally. However, it is known in Commonwealth circles that some heads of government are uncomfortable

about accepting his hospitality with the present cloud over his head.

Rumours are circulating that Sir Lynden might prorogue the House of Assembly on Wednesday to avoid debate on the Commission of Inquiry report. During the last meeting of Parliament, Opposition leader Kendal Isaacs gave notice that he would move for a motion of a Select Committee to look into the matter. However, notice is on the agenda that former Cabinet Minister Kendal Nottage will move to open the debate. This means that Government Members will now be able to open and wind up the debate. It is extremely unlikely that it will be broadcast over radio ZNS.

Sir Lynden said in a radio interview on January 18 that the debate would merely be a political exercise that would produce no results. He said that people would continue talking about the report after the House and that the debate is part of the democratic process.

If there is any substance to the rumours about proroguing Parliament, it may be that Sir Lynden is concerned about opposition from his own backbench and it is this that he may wish to avoid.

Even if the Attorney General does try to prosecute those persons whose cases the Commission recommended should be reviewed, Sir Lynden does not fall into this category. Therefore, it is unlikely that the evidence against Sir Lynden would be *sub judice* with the result that House debate could be stifled.

Some political observers feel that Sir Lynden has lost most of his support in Nassau and will now concentrate his efforts on the Family Islands, where Bahamians are not as informed about what transpired at the recent Commission.

It is understood that Government has so far raised \$35 million for its 1985 Capital Development programme. The House of Assembly passed a Resolution to borrow \$65 million for capital development this year.

It is being speculated in political circles that Sir Lynden will spend most of this money on "vote catching" projects in the Family Islands just in time for the next election.

FNM Resolve to Demonstrate

Nassau THE TRIBUNE in English 4 Feb 85 p 8

[Article by Anthony Forbes]

[Excerpts]

OFFICIAL Opposition Leader Kendal Isaacs declared on Friday, that his Free National Movement is not just fighting to become the government, but also to save the nation from the "degradation and corruption" which the ruling Progressive Liberal Party has inflicted upon it.

The Delaporte MP and former Attorney General also urged ministers of religion to conclude that the Bahamas is becoming a corrupt nation and to do everything within their power to get rid of that corruption.

He told over 100 supporters in attendance that he shudders to think what would happen in the country and to the people "if when the PLP calls the next elections and our people, in their misguided fashion, were to re-elect the PLP government."

The Opposition leader then called on the Prime Minister to resign and call general elections to let the Bahamian people decide whether they want the PLP to continue to rule or the FNM to take over the reins of government.

"And we will continue to demonstrate, we will continue to march and we will continue to hold these public meetings because we are convinced and we will not leave any stones unturned in our efforts to get rid of the PLP government," Mr Isaacs told the crowd.

CSO: 3298/399

BAHAMAS

UNIONS IN FALLING OUT OVER FOCUS ON DRUG PROBE FINDINGS

Spat Within TUC

Freeport THE FREEPORT NEWS in English 22 Jan 85 p 1

[Article by Simon Lewis]

[Text]

The president of the Commonwealth Cement and Construction Workers Union has withdrawn his union support from the Bahamas Trade Union Congress [TUC], following discontentment with several unions on Grand Bahama, which hold membership in the TUC.

In a two-page open letter forwarded to this daily, CCCWU president Mr. Audley Hanna said that the reason behind his union's withdrawal from the TUC is that his union will not sit and discuss politics in a TUC meeting.

According to Mr. Hanna — a one time close associate of veteran trade unionist Mr. Hurie Bodie, who was the key person behind forming the CCCWU and having it registered, TUC members here had also began to question his loyalty to the organization, claiming that he may leak confidential information to the ruling Progressive Liberal Party, which he supports.

In summing up the circumstances for his union's withdrawing support from the TUC, Mr. Hanna divulged that his union was recently invited to a meeting called by Mr. Errol Bodie of the Bahamas Union of Teachers, and that the purpose of the meeting was to discuss the pollution problem on Grand Bahama.

He said that January 7, meeting turned into a heated argument about the findings of the Royal Commission of Inquiry and the dishonesty of the Prime Minister, Sir Lynden Pindling.

Mr. Hanna said that during the meeting, he informed the acting chairman, Mr. Errol Bodie that he would not discuss politics in a TUC meeting.

He added that during that gathering, the President and Labour Consultant, Advisor and Chief Negotiator for the Commonwealth Group of Unions, Mr. Hurie Bodie put a motion to the floor which stated that "he will not sit in a meeting with me."

"I told the Chairman Errol Bodie that Mr. Hurie Bodie was out of place and he should not

allow him to continue. The chairman rejected my request and he let Mr. Bodye continue, and the floor was then open for discussion."

Mr. Hanna noted that Mr. Bodye, in his address to the gathering stated openly that "he did not trust me, and that I was not loyal to the Trade Union Congress, and not honest."

He added that Mr. Alexander Burrows, who represents the Bahamas Public Service Union here also added his contribution claiming that he (Hanna), had boycotted the last Labour Day Rally because the TUC had as its speaker Mr. Kendal Isaacs of the Opposition Free National Movement Party, and that "I did not speak at a rally to support A Leonard Archer (TUC Secretary General), and that I don't like Mr. Miller (Arlington Miller... TUC president).

The CCCWU executive said that Mr. Burrows also told the meeting that since he (Hanna) had made a press statement last year condemning the FNM after the TUC had agreed to support the FNM that the Commonwealth Cement Union should resign from the TUC.

Mr. Hanna went on to point out his Bahamian family background and in his open letter, informed Mr. Burrows and Mr. Bodye that he would not take part in any conspiracy to overthrow a democratic government.

He likewise informed Mr. Hurie Bodye that some five years ago he had served as labour advisor for the CCWI and he (Hanna) had sat in on several meetings with Mr. Bodye and is aware of many things Mr. Bodye did, but never talked "because it was not my business to talk.

He said "I had never been put to a test to test my honesty," and wondered whether others could say the same thing.

Mr. Hanna said he has always being a PLP supporter.

He said: "The Commonwealth Cement and Construction Workers Union regret that we have to withdraw our support from the TUC. We believe in strength and unity. Since the TUC unions would not in a meeting with us, we have no other alternative but to withdraw with regrets.

"However, the CCCWU should make a strong protest to the TUC about Mr. Bodye and Mr. Burrow's action. We hope that this matter will be resolved and if it rules in our favour, we will still remain with the Trade Union Congress" he stated.

Contacted this morning, the chief executive for the Commonwealth Group of Unions, Mr. Hurie B. Bodye termed Mr. Hanna remarks "nothing but foolishness, and I refuse to comment on the nonsense he is talking about."

He said that as far as he was aware, the only major concern with regards to Mr. Hanna and his union holding membership in the TUC, was the question of whether or not they were paid up members.

Mr. Bodye said that he was not surprised to see Hanna run to the press with such statements, claiming that Mr. Hanna had informed those attending the meeting that he would do so. He likewise informed Hanna "that if you know something wrong that Mr. Bodye has done, then come out and say so, because I don't deal with a bunch of foolishness."

Freeport THE FREEPORT NEWS in English 23 Jan 85 pp 1, 2

[Text]

Several trade union representative here, all of whom hold membership with the Bahamas Trade Union Congress today expressed shock and disgust over remarks made Tuesday by Commonwealth Cement and Construction Workers Union president Mr. Audley Hanna, with respect to the Mr. Hanna's claim that TUC member unions here were discussing politics in a recent forum and were focusing on the alleged dishonest of Prime Minister, Sir Lynden Pindling.

A meeting held at the White House of Labour on Cedar Street this morning, TUC member denied the accusations and questioned Mr. Hanna's reasoning behind the remarks. They said that Hanna appears to be "a confused man."

Attending the specially called press conference today were veteran trade unionist Mr. Hurie Bodie of the Commonwealth Group of Unions; Errol Bodye, Area Vice-President of the Bahamas Union of Teachers; Alexander Burrows, representative from the Bahamas Public Service Union; and Mr. Kenneth Dames of the Bahamas Communication and Public Officers Union.

Mr. Hanna had accused those four persons of engaging in a meeting on January 7, in which the creditability of the Prime Minister and the findings of the Commission of Inquiry, were discussed. He noted that the meeting was not called for that purpose, but rather to discuss the pollution problem here on Grand Bahama.

Mr. Hurie Bodie, the spokesperson for the TUC said today that he attended the meeting Mr. Hanna talked about and nothing of such that nature was discussed. He said that Hanna appears to be spiteful and in a dream-land.

Mr. Bodie also severely criticized the FREEPORT NEWS for allowing Mr. Hanna the opportunity to render such public statements, stating that Mr. Hanna "Is attempting to discredit reputable and honest

people."

Mr. Errol Bodye, the area vice-president for the Bahamas Union of Teachers said this morning, that "I had thought not to comment on Hanna, because most people who have met Hanna either socially or professionally, realize that he is confused...a frustrated man. On several occasions, he has tried to use this body (TUC) to fight his personal problems with his political organization, and we have been very strong to hold our heads straight-way."

Mr. Bodye said that Hanna is a leader of union that has no members and that will ignore remarks made against him and other union representatives here. He said that he acted as chairman of the January 7, meeting which Hanna has gone to the press about, and "Mr. Hanna is completely out of line in his press statement.

"The Commission was not discussed...not that we shouldn't discuss it, because it is a document of the land, and in a democracy, the only way we can deal with it properly is by discussing it and laying the blame where it should lay. I don't think anyone of us (TUC members) is afraid to openly say what is on our mind, because as labour leaders, it is our right and

it is the right of the people we represent to hear us and hear our opinion" he stated.

He added that "I don't want anybody to believe for one minute that we will not be outspoken when it is time to be outspoken. I don't want Audley (Hanna) to think that he can trap us with his petty maneuvers, but in this instance, Mr. Hanna is completely out of line, and I sympathize with him and any group that he is associated with or anyone he represents."

Commenting on remarks made against him by Mr. Hanna on Tuesday, Mr. Alexander Burrows said that he was quite surprised to see how far one would go to stir discontentment among their fellow trade unionist.

"I was very shocked to see how Mr. Hanna for some reason or the other, dreamed up all of these stories and placed it in such fashion to make it look good for whatever personal reason he has to obtain from it. I am very much shocked."

Mr. Burrows stated "We deny everything that he said that happened in a meeting which was really never held."

He said further, that the Trade Union Congress body here on Grand Bahama totally denies all statements made by Mr. Hanna and suggest that Mr. Hanna come out and ask for "Public forgiveness. He knows it himself, that what he said was utter and sheer nonsense. It must have been a nightmare or daydream he has had", said Mr. Burrows.

Mr. Hurie Bodie, who has been singled out as the TUC spokesperson here, stressed that they have no intention of

engaging in foolish conversation, but noted that since Mr. Hanna tried to discredit reputable and honest men, that they felt a need to answer back.

"We don't intend to answer nothing, no more. We just called this press conference to set the record straight. There was no discussion about the Progressive Liberal Party or the dishonesty of the Prime Minister.

"This trade union will not say anything about the PLP or the Prime Minister, because we have no information as yet to deal with that matter. But it seems that Mr. Hanna wants to call the Progressive Liberal Party and the Prime Minister dishonest. And if he wants to do that, he must do that without us.

"I will not sit in a meeting to hear anybody, unless justified, ridicule the leader of state. We in the TUC have confidence in the system of the Prime Minister" stated. "as far as we are concerned, whoever is the Prime Minister, our Trade Union Congress will respect that Bahamian constitutional office."

Mr. Bodie said that Mr. Hanna statements are deliberate lies and meant to cause confusion with union leaders and their members. He also informed that by making such statements Mr. Hanna is also attempting to jeopardize the positions of those union leaders who are employed in the civil service.

He said that while he has nothing to fear from anyone that three of those persons mentioned in Mr. Hanna's release are working for government agencies, and could be pressured by their superiors.

BAHAMAS

FNM CALLS ON PLP LEADER TO JOIN IN PARADISE BRIDGE PROTEST

Nassau THE TRIBUNE in English 25 Jan 85 p 1

[Article by Anthony Forbes]

[Text]

THE Action Group of the official opposition Free National Movement today challenged PLP Chairman Sean McWeeney to join the party in its demonstration against the Paradise Island bridge tomorrow morning or forever give up any claim to principles.

In a statement today, the Action Group also charged that Senator McWeeney and Mr Donald "Nine" Rolle, members of the Citizens Committee for Civil Rights in 1972, misled the Bahamian people when they said that Paradise Island management had agreed with the committee that employees should not have to pay to cross the bridge.

"The Action group of the FNM takes this opportunity to challenge Mr Sean McWeeney, national chairman of the PLP, to join us in our demonstration against the Paradise Island bridge tomorrow morning," the statement said.

The Action Group referred The Tribune to press coverage of the Citizens Committee for Civil Rights, dated August 3, 1972, headed by Senator McWeeney, then president of Unicom and Mr Donald "Nine" Rolle, who were seeking the reduction and elimination of the 25¢ bridge toll for Paradise Island workers.

"I would like to point out that Mr McWeeney and Mr Rolle obviously misled the

Bahamian people when he said: 'At this time we are happy to report that a mutually acceptable agreement has been arrived at,' Mr Wilson said quoting from the 1972 newspaper clippings.

"Paradise Island management has agreed with the Committee that employees should not have to pay to cross the bridge," the press report quoted Mr McWeeney as saying.

"If this is what Sean was fighting for in 1972, obviously this has not changed because employees still have to pay to cross the bridge," said Mr George Wilson, a member of the Action group.

He said that Sen McWeeney was further quoted as saying in 1972: "I would wish to publicly congratulate Paradise Island management for the spirit of goodwill and cooperation which they displayed throughout the negotiations."

"Obviously this goodwill and cooperation did not produce any results," the FNM Action Group said.

"We call on Sean to join us on the bridge tomorrow or forever give up any claim to principles," the statement said. "The same things that he protested on August 3, 1972, are the identical things that the FNM will protest tomorrow at the Paradise Island bridge."

"We recognize that Mr McWeeney now is a member of a law firm that at one time or another, represented the Paradise Island Bridge Company, but we are sure that Mr McWeeney, being the man of 'principle' that he is, would not let this affect the well being of his country," the Action Group said.

"We are also aware that since August 3, 1972, Mr McWeeney has ascended to the right arm of Lynden Pindling who, records show, indirectly profited from the sale of the Paradise Island bridge," the statement said.

"But we are sure again that Mr McWeeney would not let this new position and his new friends deter him from acting on his publicly-stated principles," the Action group added.

CSO: 3298/399

BAHAMAS

BRIEFS

MONCUR PROBLEM WITH POLICE--WHEN POLITICAL activist Rodney Moncur recently went to collect a new Police Certificate, he discovered that he had been "convicted" for disturbing divine worship. There was one problem, however. On September 20, 1984, Acting Justice George van Sertima acquitted him of the charge the Police Certificate claims he was convicted of. Mr Moncur brought a copy of the judgment to The Tribune to prove his point. However, although Mr Moncur was found not guilty of the charge, his Police Certificate says he was convicted for disturbing divine worship. Mr Moncur was charged with disturbing divine worship being conducted by the Bahamas Christian Council at St John's Auditorium. Mr Moncur was also charged with disorderly behaviour. Prosecution said that on October 31, 1982, former Minister of Agriculture George Smith was giving an address at a service commemorating World Food Day when "the appellant rushed to where the Minister was speaking, and grabbed one of the available microphones and shouted 'Where is the food?'" In his judgment, the Acting Magistrate said that prosecution failed to prove that the auditorium was a place of divine worship and overturned the Magistrate Court's guilty verdict. However, he agreed with the Magistrate Court's ruling that Mr Moncur was guilty of disorderly behaviour. Mr Moncur's Police Certificate, dated January 16, 1985, says that Mr Moncur has been convicted for disorderly behaviour, disturbing divine worship, and illegal procession. [Text] [Nassau THE TRIBUNE in English 30 Jan 85 p 1]

CS0: 3298/400

BOLIVIA

ITALIANS TO ASSIST IN LA PAZ-BENI BRIDGE CONSTRUCTION

La Paz PRESENCIA in Spanish 22 Dec 84 p 7

/Text/ Transportation and Communications Minister Hernando Poppe Martinez yesterday announced that the government of Italy will start the construction of a bridge on the La Paz-Beni highway through its specialized technical and economic aid organization for the countries of Africa and America.

This is the bridge over the Suapi River, one of the widest and longest, in the Department of La Paz. Right now, barges are being used to cross the river at Puerto Linares and vehicles are carried on "pontoons."

Poppe Martinez described the contribution by the government of Italy as being very important "because, as it was noted, this will effectively and in a practical manner supplement the effort being made by Bolivia to complete the La Paz-Beni highway." He recalled that the IDB had recently approved financing for the construction of large sections of that highway.

In signing the agreement, the minister of transportation and communications explained the negotiations conducted with the Italian foreign aid organization. This is the ACRA (Association of Rural Cooperation for Africa and America) whose main offices are located in the city of Milan.

He noted that this organization is interested in developing rural problems in areas in the north of La Paz and Beni. During preliminary conversations, the need for starting the construction of the bridge over the Suapi River was established; the absence of this bridge is an obstacle to the launching of any agricultural-social project.

Agreement Signed

Dr. Perego Gianluigi, ACRA president, came to Bolivia to sign the agreement; he said that the organization under his direction will thus be carrying out the first cooperation project in Bolivia in this fashion.

According to the agreement, the National Highways Service will turn over the bridge construction project including blueprints and technical specifications as well as cost figures. It will start construction through the system of direct administration and will assign the necessary technical personnel. The construction cost will be completely financed by ACRA "on a permanently committed fund basis" in accordance with the cost studies submitted by the National Highways Service.

Both officials estimated that the work could be started next March, after the rainy season, since the National Highways Service expects to be finishing the project.

The entire undertaking could be completed at the end of 1985, before the next rainy season.

In the name of the government of Bolivia, the transportation and communications minister thanked Italy and its international cooperation agency for its cooperation. He noted that "the effective aid given by the government of Italy will help develop one of the richest areas in the north of La Paz and in the Department of Beni, activities which today have been postponed because of the lack of a physical support structure."

5058

CSO: 3348/293

BOLIVIA

LITHIUM PROJECT TO RECEIVE STATE FUNDS FOR DEVELOPMENT

La Paz PRESENCIA in Spanish 27 Dec 84 p 6

/Text/ This week, the Coipasa project, which is concerned with the exploitation of lithium, will receive an initial disbursement of \$50,000 from the government, it was announced by engineer Guillermo Rosso Mendieta, president of the Oruro Technical University, the agency that is promoting this program.

The administration is interested in the UTO /Oruro Technical University/ and promised to contribute the sum of \$500,000 to get the work started; this backing is guaranteed through a supreme decree. University president Rosso Mendieta said that he would go to La Paz tomorrow to pick up the money.

The Coipasa project is one of the priority activities of the UTO. It is inspired both by the need for efficiently exploiting the department's mining resources and by the urgent necessity of clearly and concretely asserting national sovereignty in areas where the invasion of foreign elements is disquieting.

Last year the university began studies in the Coipasa zone through one of its so-called "Hope" brigade, made up of technicians, scientists, and researchers from the UTO who remained in the area for more than a month.

The conclusions contained in a rather voluminous document, drafted in the form of official reports, show that this region is potentially rich in mining deposits and has great prospects for the agricultural and livestock industry which now has other projects also.

The project is based on the exploitation of lithium.

It is believed that the salt marshes of Coipasa, along with those of Uyuni, presently constitutes the world's biggest deposit of that mineral. The government of Chile already has teams of workers mining lithium in that region.

According to the "Hope" brigade, Coipasa and its surroundings also contain deposits of silver, gold, and other minerals, apart from the fact that the land offers excellent possibilities for growing food products that are normally found in the highlands; the land is also suitable for the adaptation of other varieties.

BOLIVIA

BRIEFS

JAPANESE STUDYING AGRICULTURAL DEVELOPMENT--A mission from the JICA (Japan International Cooperation Agency) arrived in Cochabamba today to look into the agribusiness projects for Chapare, according to an announcement made by Corporation Development President Humberto Vargas. The Japanese mission is headed by the technicians Dr. Aky Llama and Mr Sato. To start, they established contact with Jorge Otasevic, the departmental prefect, to brief him on the reason for their arrival in Cochabamba; then they contacted officials at the development corporation. Tomorrow they will talk to management personnel at GEOBOL /Bolivian Geological Service/, at the Ministry of Peasant and Agricultural Affairs, and the National Highways Service. The CORDECO /Development Corporation of Cochabamba/ president said that the mission was trying today to find out to what extent the Chapare aerial photogrammetry survey, prepared by Japanese technicians, had been utilized. This effort also covered other regions in that department. It was noted that the Japanese technicians are interested in learning about agricultural programs in Chapare in order to present a specific report to their government with a view to providing economic and technical cooperation. It is planned that the Japanese mission will go to Chapare to be briefed on the region's conditions and potential. /Text/ /La Paz PRESENCIA in Spanish 15 Jan 85 p 3/ 5058

CSO: 3348/293

BRAZIL

LIBERATION THEOLOGISTS VIEW POPE'S VISIT, COMMENTS

Boff Disbelieves Papal Rejection

Sao Paulo FOLHA DE SAO PAULO in Portuguese 29 Jan 85 p 23

[Text] Father Leonardo Boff, the principal theoretician of liberation theology in Brazil, declared yesterday in Goiana that he does not believe Pope John Paul II had rejected liberation theology and considered it a deviation from the path of the church. Commenting on the pope's statement made Saturday on board the airplane taking him to Benezuela, that "liberation theology is a grave deviation," Boff said that it "was not made in a formal speech but in an informal conversation with journalists. Therefore, it is an unofficial dialogue and not formal."

Boff declared that "there is the risk of headlines such as that published yesterday: 'Pope Repudiates Liberation Theology,' serving as an instrument of repression in Chile and Central America. Certainly it is not the intention of the pope or of Rome to provide instruments for the violation of human rights and for the repression of committed Christians among the poor." He added: "Headlines such as those of FOLHA are completely ambiguous and I do not believe they express the intention of the pope."

Editor's Note: If FOLHA were to act according to the suggestion of Brother Leonardo Boff, it would cease to practice journalism and instead deceive the readers.

Already the critics of liberation theology have applauded the declaration by Pope Paul II. For the archbishop of Porto Alegre, Claudio Colling "If the pope said it, it is so." The suffragan bishop of Salvador, Boaventura Kloppenburg, said the pope did nothing but support the "instruction" of the Holy See disseminated last September, which already described liberation theology as a "grave deviation." The suffragan bishop of Rio, Karl Josef Rommer, declared that the words of the pontiff were "harsh, but an obvious orientation."

Boff declared: "Certainly it is not the intention of the pope, based on an informal conversation with journalists, to direct himself to the entire church. Moreover, the pope cannot contradict the pope because in

the instruction he himself approved in September last year he acknowledges the legitimate liberation theology and that it is necessary for the church of today." That is why, said Boff, "I do not believe that with that statement the pope wants to make illegitimate that which he officially approved in a document of the Sacred Congregation for the Doctrine of Faith."

With respect to the statement by the pontiff that there is a theology that is at the service of political ideologies and strategies in search of a false liberation on earth, Boff said he agrees with that. But "it is not a matter of liberation theology as it is sold and taught in the communities and theological groups I know in Latin America."

Dom Claudio Colling, 71, said that his position was always that of being faithful to the church. "Therefore, if the pope spoke, it is so," he said, acknowledging the existence of the "deviations" spoken about by the pontiff. For Dom Claudio, "Those great deviations exist because their followers many times are not sincere."

The suffragan bishop of Rio, Dom Karl Josef Rommer, 52, head of the Commission for the Doctrine of the Faith in the Rio Archdiocese where Dom Eugenio Sales one of the main critics of liberation theology is cardinal, said that "the expressions the pope used in Caracas were undeniably strong and even harsh. I wanted only to add that in view of the sublime clarity of the document of the Sacred Congregation for the Doctrine of Faith, and in view of the repeated statements by the pope on certain deviations in liberation theology, it is a cause for profound amazement that Catholic persons try to circumvent such an obvious orientation. We are witnessing the sad spectacle of seeing the voice of the pope and that of his highest court, the Sacred Congress for the Doctrine of Faith, ignored, if not officially disdained. In view of such profound abuses in ecclesiastical circles, the silence of the pope would be an unacceptable connivance and the harsh words of the Prophet Isaiah would apply to it: "The shepherds who do not speak when the flock is threatened are dogs that cannot bark."

Unease

The suffragan bishop of the archdiocese of Salvador, Boaventura Kloppenburg, said that the declaration by the pope is related to the fact that he is now visiting Latin America for the sixth time. "Liberation theology was born here in Latin America and has caused great unease in the Universal Church."

He emphasized that the pronouncement by the pope served to deny the stories that he does not support the "instruction" of the Holy See on liberation theology. In that document, he said, there appears the expression now used by John Paul: "grave deviations."

To the redemptorist theologian, Marcio Fabri dos Amjos, 41, of Sao Paulo, one of the prominent names of liberation theology in Brazil, "It is very strange that a generalized criticism of liberation theology, something that the very "instruction" of the Congregation for the Doctrine of Faith sought to avoid, appears as being made by the pope."

Father Fabri said that "upon the insistence of the pope himself to Cardinal Joseph Ratzinger, prefect of the Congregation for the Doctrine of Faith, there is being prepared at the Vatican a document on the positive aspects of liberation theology." He pointed out that Pope John Paul II talked personally with Cardinals Paulo Evaristo Arns of Sao Paulo, Aloisio Lorscheider of Fortaleza and with the president of the CNBB [National Council of Brazilian Bishops], Dom Ivo Lorscheiter, on the new document which deals specifically with "liberation theology in the Christian view."

Boff Called 'Prophet'

Brasilia CORREIO BRAZILIENSE in Portuguese 10 Feb 85 p 17

[Text] Buenos Aires--Argentine Bishop Jorge Novak, in an interview published yesterday by the weekly EL PERIODISTA, called Brazilian Priest Leonardo Boff a "prophet," emphasizing that "the true Christian should demand justice," and pointing out the "oppression" existing in Latin America. Confounder of the Permanent Assembly for Human Rights (APDH), Novak, 46 years-of-age, declares "it is unacceptable to ask that we wait for heaven because we will all be happy there. God wants all of us to be happy on earth."

With respect to Leonardo Boff, the bishop called him a "prophet" who sooner or later had to appear in a continent characterized by "oppression, poverty and deprivation caused by dependence," adding that "in the history of Latin American theology he will be one of the most important chapters that have been written. The prelate, the bishop of Quilmes, also said that the Argentine church "sinned by omission with respect to violations of human rights" committed by the military men who governed the country between 1976 and 1983 and he pointed out that liberation theology has its greatest impact in Latin America "because of its large Catholic population and because of its situation of social injustice and of real oppression."

Asked about the documents prepared by the Reagan Government, pursuant to which liberation theology should be fought "because it threatens the psychological security of the country," Novak explained that "We (Latin America) are a colony which must work cheap or for free. They are the empire which lives at our expense."

In an allusion to the military regimes, he pointed out that the United States with the "pretext of national security doctrine installed the offices in the Southern Cone from which they manipulated independence." According to the bishop, the desire for independence is so strong that they seek to use religion and the church, brandishing the specter of Marxism and other extremisms for the purpose [of combatting it].

Gutierrez Speaks

Brasilia CORREIO BRAZILIENSE in Portuguese 10 Feb 85 p 17

[Text] Lima--Peruvian Father Gustavo Gutierrez, who provoked a polemic in the Latin American church because of his doctrine on liberation theology praised the recent visit by Pope John Paul II to Peru, but warned that the struggle for justice in favor of the poor has just begun.

Gutierrez, creator of the controversial liberation theology, broke a silence of almost a month, when he talked with foreign newsmen this week, but asked that his statements not be released until yesterday.

Liberation theology is a doctrine which advocates an active role for the Church in favor of the poor so that they can obtain better living conditions and social justice.

In Nicaragua some priests carried this doctrine further to justify their active participation in the Sandinist Government.

Vatican authorities criticized liberation theology, denouncing Marxists tendencies in it.

"It is impossible to find any reference to Marxism in my writings," said Gutierrez. "In liberation theology it is not a matter of conflict, but the realities, contradictions, social classes, the unacceptable contradiction between rich and poor are recognized," he said.

Speaking to newsmen at the Sao Domingos Convent in Lima, Gutierrez admitted that there are "erroneous cases" in the application of liberation theology. It is a mistake to try to reduce liberation theology to political liberation," he declared. "Liberation theology is a general term. There are persons in Latin America who write on this theology in different ways; it is an expression used to state many things. There is no way it can be kept orthodox."

Gutierrez, 56, expressed the conviction that the Pope did not criticize him personally. In several speeches during his 5-day visit to Peru, John Paul spoke of "true liberation" through the Gospel and warned against violence as a means for obtaining social justice.

Gutierrez said that the pope's visit to Peru was positive because it brought new confidence to the poor, helping them to renew their faith. Hundreds of thousands of persons participated in the concentrations presided over by the pope.

However, Gutierrez expressed doubts that the pope's visit may have inspired a true change in government policy toward the poor. "For that, God Himself would have to speak to the government," he declared.

"Liberation theology is a process for liberating the poor and a way of seeing how the Gospel is present in that process," said Gutierrez. "We are just beginning."

To Gutierrez, the doctrine of liberation theology will have to seek to know the true situation of the poor better. "To be poor is more than a socioeconomic condition. To be poor is to enter into the world of the poor, to be part of that world and to be insignificant. It means having to wait 3 days to be taken care of in a hospital," he said.

8908

CS0: 3342/104

BRAZIL

NORTHEAST PMDB CONGRESSMEN PRESS FOR POSITIONS IN REGION

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Jan 85 p 27

[Text] Legislators of the PMDB [Brazilian Democratic Movement Party] of the Northeast are joining to act in a bloc to insure the control of federal agencies in the region by party representatives. The plan in execution calls for a common action to prevent the legislative members of the party from one state from riding roughshod over those of another, thus removing the dangers of prejudicing the unity of the PMDB in the Northeast.

The plan envisions the preparation of a study on the socioeconomic problems of the region, with the PMDB of the Northeast laying claim to the command of federal agencies without tensions between one state and another. If the command of a federal agency were to belong to Pernambuco, for example, the PMDB of the other states in the region would immediately express their support. There is a party commission studying the plan. The commission consists of Senator Humberto Lucena and Deputies Miguel Arraes and Jose Carlos Teixeira.

One of the coordinators showed practical sense in the plan being prepared: If the Bank of the Northeast were to be headed by the PMDB of Ceara, the choice would be supported by the other regional sections of the party. The same would apply to SUDENE [Superintendency for Development of the Northeast], DNOCS [National Department of Drought Control], CEPLAC [Executive Commission for the Cocoa Production Plan], IAA [Sugar and Alcohol Institute], the directorates of the Banks of Brazil, BNCC [National Cooperative Credit Bank], BNDES [National Economic Development Bank] and other Federal agencies of marked activity in the Northeast.

The action by the Northeastern PMDB will also have the objective of placing it in a majority position with respect to the Liberal Front Party in the distribution of managements posts of federal companies and autonomous agencies in the region.

Expected Invitation

Commenting on the question, Governor Joao Durval said yesterday in Salvador that the various political forces of Bahia who support President-Elect Tancredo Neves are talking democratically and therefore it is not difficult to create agreements in the state "even on the filling of Federal positions."

As for the problem of public posts, however, Joao Durval conditioned his participation in a talk with the PMDB on the subject to an invitation from the president-elect, who according to him is the only person authorized to speak about ministries and posts in the remaining echelons.

In Bahia, the federal government has no fewer than 400 positions, according to a PMDB survey, and the PDS [Social Democratic Party] knows it will lose a large number of those positions. Former Governor Roberto Santos, one of the local PMDB leaders, commented on the statements by the governor, saying that the right moment for talking about that would be after the president-elect establishes the status of the ministries. Santos believes that in Bahia, as in the rest of the Northeast, the PDS strongly controls Federal personnel, "However, that situation will be completely reversed in some states, while in others the PDS will lose the largest part of the positions," declared Roberto Santos.

8908

CSO: 3342/88

BRAZIL

NEVES CHANGES REFLECTED IN VIEWS ON AFRICA, CHILE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Jan 85 p 5

[Article by Carlos Conde: "Diplomatic Priorities Worry Africans"]

[Text] African embassies accredited in Brasilia are worried because of the first statements on foreign policy made by President-Elect Tancredo Neves. At least two ambassadors of important countries in Africa are thinking of talking with Tancredo informally and requesting explanations.

There is the hope in African areas that the president-elect is announcing "only preliminary positions" which may be changed after the minister of foreign relations is chosen and a definitive direction for foreign policy is established. The greatest worry of the Africans resulted during the interview granted by Tancredo last week to the Brazilian press and international correspondents. An Argentine newsman asked about the diplomatic priorities of the Democratic Alliance government. The former governor of Minas Gerais answered: "The absolute priority is with America, then we have a priority with the European nations and then priorities with nations of the Middle East."

Change

That statement represents the second important change with respect to the diplomacy the military regime has been executing since the assumption of power of General Geisel. Since 1974 Africa has been ostensibly the first priority of Brazilian foreign policy after Latin America. General Figueiredo did not change that decision. Tancredo Neves, excluding Africa from the top diplomatic priorities, has already admitted only that Brazil has a "very singular position" toward that continent. He recalled the common historical origins, which facilitate dialogue; he criticized the apartheid practiced by South Africa and he reaffirmed the traditional position in favor of the independence of Namibia, a country occupied by Pretoria.

The first important change in the present foreign policy was revealed in the same interview. The president-elect said that his government will provide intransigent support to the Chilean democrats in an obvious condemnation of the arbitrary regime of General Pinochet. Up to now, since Salvador Allende was overthrown during the Medici Administration, the Brazilian

military regime has maintained warm relations with the Pinochet regime. President Joao Figueiredo made an official visit to Santiago and Minister of Foreign Affairs Saraiva Guerreiro made two official trips to Chile and the Chilean minister of interior was also received in Brasilia.

The Reasons

The Geisel Administration decided to initiate the African policy to face up to a problem represented by the exhaustion of the traditional markets of Brazil. In his first speech to the ministers in March 1974, Geisel spoke of the need for "indispensable realignments" in foreign policy. An action oriented toward Africa was an important part of that realignment, but the rate of application of that policy was hastened because a month later the military men overthrew the Salazar regime in Portugal. With the Revolution of the Carnations, the Portuguese colonial empire in Africa automatically collapsed. Brazil, which traditionally voted with the Portuguese colonizer in the United Nations and other international organizations, needed to watch its steps. It beat Lisbon in recognizing and supporting the independence of Guinea-Bissau, and in an even more daring move, it was the first country to recognize the government of the MPLA [Movement for the Liberation of Angola] in Angola.

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CSO: 3342/88

BRAZIL

REPORTAGE ON UPCOMING NEVES, ALFONSIN DEBT TALKS

'Diplomatic Romance'

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Jan 85 p 5

[Article by Hugo Martinez: "Alfonsin and Tancredo are going to Discuss the Foreign Debt"]

[Text] Buenos Aires--A "diplomatic romance," which is how a Buenos Aires newspaper described it, appears to be the most correct designation for the exchange of courtesies which today exists between Raul Alfonsin, president of Argentina, and Tancredo Neves, the president-elect of Brazil. On 6 February, on his first trip abroad after his election, Tancredo Neves will be in Argentina for a meeting, which scheduled for 0730, will end only an hour later. As of now the agenda for the meeting is being prepared by the Argentine Ministry of Foreign Relations in contacts with the group on international relations of the new Brazilian president. The most important subject of the discussions will undoubtedly be the foreign debt, followed by questions related to the economic and trade integration between the two countries, along with other political subjects.

With respect to the foreign debt, Brazil and Argentina have already pledged to pay their international debts, particularly to the IMF and the Paris Club. However, at the same time the two presidents also seek new agreements or other mechanisms of negotiation, such as the Cartagena Group, possibilities which undoubtedly will be on the agenda for discussions in February. Both are also willing to arrive at an economic and trade integration, and one of the formulas under study is the orientation of production of the two countries so that they will avoid competition in other markets and in bilateral trade.

According to Buenos Aires sources, Raul Alfonsin and Tancredo Neves should also discuss the possibility of officially committing themselves to the defense of the democratic system. The objective of that agreement would be, for example, avoiding a repetition of the support of Brazil for Hugo Banzer in 1971 and the subsequent Argentine support for the military coup of Luiz Garcia Meza, also in Bolivia. The pledge by both presidents could expand the political field of the democratic oppositions in neighboring countries, particularly Chile and Paraguay.

Even so, Raul Alfonsin and Tancredo Neves believe that the North-South conflicts are even more significant than those of East-West because they emphasize the difference between the industrialized countries and the developing countries. An analysis of those relationships should also be made in that meeting, in addition to subjects such as the South Atlantic, the OAS, the Contadora Group, nuclear policy and decolonization.

In addition to their relationship as presidents, Raul Alfonsin and Tancredo Neves also maintain friendly personal relations. On 15 March Alfonsin will be in Brazil for the inauguration of Tancredo and by the end of the year it is possible that the two will meet again to give continuity to the initial agreements of February.

Argentina Wants Joint Strategies

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Jan 85 p 5

[Text] Recife--Argentine President Raul Alfonsin said yesterday in Recife that together with President-Elect Tancredo Neves he is going to try to defend strategies with the goal of seeking a new international economic order and fighting for universal justice so as to structure the development of Latin American countries.

Alfonsin also said that Argentina is not founding a "debtors club;" "only wanting a political form of dealing with the foreign debt. What we seek is a dialogue that will allow an end to the very perverse behavior of the economy, which is more or less this way: We do not have money because we are not developed and we do not have money because we do not develop ourselves. [as published]. This has to end and I agree with the president-elect of Brazil, Tancredo Neves, when he says that we have enough revenues for fulfilling our commitments."

The interview of the Argentine president took place last night at the Guarapes International Airport during a refueling stop of the airplane taking him to India. Although President Alfonsin appeared willing and at ease, the interview, which promised to be calm and informal, was halted after initiated because of the inefficient electrical system of the airport.

During the visit Tancredo Neves will make to Argentina, the two presidents will talk on subjects, which according to Alfonsin, "will be linked to our bilateral relations which are very good and will be increasingly better." He added that all problems and possibilities will also be discussed to increase "our bilateral trade development, as well as formulas capable of preventing others from discriminating against us in foreign trade."

President Alfonsin arrived at exactly the scheduled time, 1950, on board a Boeing 707 of the Argentina Air Force, accompanied by a party of 60 persons plus the reporters who are covering his trip to India, where he will meet with representatives of nonaligned countries, and to Greece. Received by Governor Roberto Magalhaes and by the commanders of the three military branches in the state, the Argentine President was taken directly to the room

designated for the interview. Upon entering the room, however, he broke with protocol and went to greet a group of Argentine tourists who were boarding an airplane for Fortaleza. Then Governor Roberto Magalhaes read a message from President-Elect Tancredo Neves to President Alfonsin, wishing him success in the mission to New Delhi and emphasizing that "the participation by Argentina at the side of Mexico will once more reinforce the points of view that all of us Latin Americans defend in matters having to do with the welfare of peoples and a conciliatory dialogue among nations."

President Raul Alfonsin then spoke a greeting and pointed out that the Argentine Government and people viewed the process of election of Tancredo Neves with joy and they await him anxiously "because we have no doubt that Brazil and Argentina are going to develop a joint action in time."

The interview began then and the unforeseen happened. Alfonsin had answered only six of the 13 questions previously prepared by the national and local press organs--he was later going to answer other possible questions--but the electrical system could not handle the load of the television spotlights and the microphones went dead.

8908

CSO: 3342/88

BRAZIL

COUNT SHOWS NEVES' CONGRESSIONAL BASE ASSURED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Feb 85 p 3

[Text] Brasilia--While in Mexico, from which he departed yesterday for Buenos Aires, via Lima, Tancredo Neves received a telephone call from one of the parliamentarians closest to him--almost a special adviser, and certainly a future minister. He wanted to know, first of all, about the movements within the party picture here in Brazil, and he was pleased with the reports. His greatest concern, in fact a basic one with a view to the formation of a cabinet, has to do with the parliamentary base with which he will govern, and this seems more than guaranteed.

The information passed on to the president-elect indicates that the PMDB [Brazilian Democratic Movement Party] has 202 deputies now, while the Liberal Front Party (PFL) has 74. Together this makes 276, more than the absolute majority of 240, and a half plus one of 479. In fact the PFL hopes to have nearly 100 deputies by 15 March, since it is trying to win the support of 26 more among the present 103 in the PDS [Social Democratic Party] and 10 in the PTB [Brazilian Labor Party]. The PDT [Democratic Worker's Party], with 23 deputies, and the PT [Workers Party], with eight, do not enter into it, regarded as they are already as in the opposition.

Thus there will be no problem for the future government in the Chamber of Deputies, which, barring an error or specific circumstance, will be able to approve all of the projects and proposals of the next tenant of the Planalto Palace.

In the Senate, there is optimism as well. The PMDB has 25 senators. The largest party is the PDS, with 29, followed by the PFL, with 13, the PDT, with one, and the PTB, with one. The liberals hope to end up with 18, winning five away from the PDS, which would then have 24. Even without this probable change, the majority is favorable to the future president. The 25 from the PMDB added to the 13 from the PFL make 38, and a half plus one of the 69 seats in the Senate is 35, and it is also known that the representatives of the PDT and the PTB will support the new government.

It is toward these figures, which are constantly being checked, rechecked and reported, that the attention of Tancredo Neves is focused during his trip abroad. It is as a function of this data that he will establish the final picture for the new cabinet when he returns, taking party needs, arrangements,

adjustments and compromises into account. He knows he will have to make concessions in order to establish and then to maintain the parliamentary system, but when he has it, the path will be cleared for the creation of a stable and efficient government. This is a premise without which it would be impossible to plan initiatives in the political, administrative, economic and social sectors, all of which depend on legislative changes, some of them profound and others peripheral.

The successor to Joao Figueiredo will have to pursue a policy, within the limited framework of the talks, agreements and even concessions to party groups and factions, such as has never been pursued in the country since the days preceding the 1954 revolution. He comes to power as did Joao Goulart, Juscelino Kubitschek, Getulio Vargas and Eurico Dutra, that is to say with a reasonable party base available to him. The only president in the period subsequent to the 1945 democratization who began his term of office without a majority was Janio Quadros. Dutra and Kubitschek held their ground with regard to political action, while Vargas and Goulart lost out. This explains the development of the virulent crises in modern history: whenever a president has lost his majority in the congress or failed to win one, he has fallen. Those who maintained it survived. It was no accident that Vargas, Quadros and Goulart failed to complete their terms of office, while Dutra and Kubitschek served to the end of their administrative terms.

It will not be merely thanks to having the support of at least one half plus one of the deputies and senators that a president of the republic can have his success in administration, in the economy and in the social sector guaranteed. We have before us the revolutionary governments to prove the contrary. For this reason it is said that, relying on the PMDB and the PFL, Tancredo Neves has a clear path for a successful outcome. But as to treading that path effectively--that is another matter. Among other things because majorities too are lost, as happened in the cases of Getulio Vargas and Joao Goulart.

In what situations does the government cease to have a majority? On examination this proves to be when it scorns parliamentary circles, abstains from political involvement, imposes when it should accept and listen, and also when it is unwilling to contribute to individuals and situations, even if it does not violate the boundaries of ethics and defense of the public interests. These things happen, but they are not worrisome, since in the win-lose game, it will never be difficult to attract others when some depart. It suffices to have political experience, good sense and judgment. And it will not be in this connection, unless something unexpected occurs, that the president-elect will falter. After all, almost 50 years of public life provide him with a strong likelihood of dealing with the day-to-day battles successfully.

The so-called optional crossroads are much more serious. In times of major alternatives, the mast tends to waver, because imbalance or the loss of stability can follow immediately. Joao Goulart lost the support of the old PSD [Social Democratic Party] when he plunged in confusion into an effort to realize reforms which were not accepted by the legislative benches and the base levels of that now extinct party. He did not succeed in maintaining the alliance between the PSD and the PTB, and the result was to stir things up first. Then came his resignation.

The situation in party terms today is different, but on the other side of the coin, it seems to be aggravated in economic and social terms. Exhausted, the nation is awaiting great changes, but what will they be? Those of the PMDB (and of which of its groups?) or those of the Liberal Front Party? If on both sides, an irrepressible desire for change can be seen, it has not yet been possible to establish anything but the common points on which change is wanted, that sugar water which urges all reforms, but specifies none in concrete terms. It is when the game begins, after 15 March, that the points of conflict will become known, those which stand above and beyond personal interests and party issues, which will force the legislative benches to accept or reject initiatives in an absolute fashion. It is to these that Tancredo Neves will have to be attentive, and from every indication, he already is. So much so that he will not attempt to undertake profound changes, at least during his first years in government. Corrections, yes, as well as emergency measures too. But he will limit himself to these until the National Constituent Assembly meets at the beginning of 1987. The real clash, even for the winning and maintenance of a parliamentary majority, will come following that. But this is a tale to be told afterwards.

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CSO: 3342/103

BRAZIL

BRIZOLA ON CONSTITUENT ASSEMBLY, EXTREME RIGHT

Brasilia CORREIO BRAZILIENSE in Portuguese 3 Feb 85 p 3

[Text of interview with Leonel Brizola, governor of Rio de Janeiro, by Marcione Formiga, in Rio de Janeiro, date not supplied]

[Text] "All the sectors with any authority or which benefit from the present structures are concerned about the Constituent Assembly. Foreign investors will always see a constituent assembly as a threat to their interests and privileges, because their concessions would be wiped out and they would have to start all over again." This is the assessment of Leonel Brizola, governor of Rio de Janeiro, regarding the problems which the New Republic, led by Tancredo Neves, will face in promoting real change in the country. Brizola has not yet defined his role after 15 March ("I will be independent"). He sees the extreme Right as acting, but not openly. "They use individuals like Sebastiao Nery." He is not sparing in his praise of President Figueiredo. "History will have to do him justice." In the middle of this week, Brizola spoke at length with CORREIO BRAZILIENSE. He was calm, although offended by the criticism leveled at him. The interview lasted for 3 hours and is summarized below.

Importuned by a group of reporters as he was leaving his office, Governor Leonel Brizola is in the "green room" of Guanabara Palace. He is an island surrounded by reporters, photographers and cameramen.

Standing, he patiently answers questions on everything from measures to help the flooded cities in the interior of Rio to the provocations of Deputy Sebastiao Nery ("Brizola is the Maluf of the people," "a Janio without alcohol").

Suddenly, he apparently becomes aware that he is late for his luncheon appointment (we had a date for 1230 hours and it is already past 1400 hours). He makes a gesture indicating that I should follow him and soon afterward we are going through the pantry and into the kitchen, where he opens a door into another room.

The governor appears tired. His first move, before he sits down at the head of the table, is to take off his jacket. He sighs deeply, but before he asks

the two waiters to serve the filet with vegetables, he gets up again and turns off one of the air conditioners, which is very noisy.

[Question] Governor, we are now entering into a New Republic. How do you view this transition from the old to the new, with a civilian taking over Planalto Palace?

[Answer] When we speak of a New Republic, I think we should examine what the expression means. I also think that Brazil is experiencing the end of an era. To me, many factors indicate that we are really living the end of a cycle of Brazilian life; there are so many impasses there, basically of a social nature, that my impression is this: that we are entering a New Republic. My conviction is not new. Over 3 years ago I was saying that after this dictatorship, this period, this authoritarian regime, we would enter a new phase of political, economic and social life in Brazil. I think it will be a New Republic of a social nature. Before now we have had this transition from an oligarchical republic which, as I see it, died symbolically on 29 October 1945. Well, from this oligarchical republic we went to a phase which I would call a business phase, an empresarial, capitalist republic, which was an eclectic, balanced phase during the period of the 1946 constitution, and then was imposed during the authoritarian period, but which proved to be inviable because of the pre-dominance of international interests. But from now on, we foresee a democratic phase, with social institutions. For this reason, we would call it a Social Republic.

[Question] Is your republic the same as that of the president-elect?

[Answer] I don't know if this is really what Dr Tancredo Neves and the leaders of the PMDB [Brazilian Democratic Movement Party] and the PDS [Social Democratic Party] dissidents have in mind. If it is, I would be very happy, but I have my doubts.

[Question] What doubts?

[Answer] From what I can see, from the paths that they advocate to build institutions, it seems to me that they are making the mistake of repeating bygone situations. The problems are more of a social nature than strictly economic. Look at the situation here, for example. Sao Paulo and Rio, two urban centers which within 15 years, if we continue in the same way, will be inviable. Look at Sao Paulo, with 17 million people, Rio also with 17 million people. Today they don't have water, they don't have schools, they don't have housing, they don't have jobs. All this disorganization in matters of urbanization and human services. Imagine, then, a population twice this size, and the solution is not here.

[Question] Where is it, then?

[Answer] It is in the interior. We need thousands of small and medium-sized cities, industrialized, semi-industrialized. And in order for this large number of centers to exist, with adequate living standards, it will require a network of millions and millions of small businesses. So by the year 2000, Brazil must create millions and millions of new businesses, perhaps 20 million, small

and medium, like it is now in the United States, in the countryside. I cite this problem to demonstrate to what extent this whole combination of impasses in which we find ourselves lately is of a social nature. Thus the importance of having parties that are also social in nature from now on.

[Question] Politically, what is needed to consolidate the republic which is being born now?

[Answer] The building of free, flexible and enduring institutions. We must adopt measures that lead to these institutions, because it does no good to announce that our objectives are such and such, when we are not taking paths that lead to these goals.

[Question] This clash, is this already happening?

[Answer] This is what we are witnessing. When there is an attempt to avoid holding direct elections for the president, holding a free election, we are repeating the mistakes that were made, for example, in 1934, acting in exactly the same way, and we ended up with the New State. I think that the electoral college creates a provisional government for an expedient period, very close to the edge of legitimacy.

[Question] What is your proposal?

[Answer] In this transition period, to prepare the country for the people to choose their own governors and representatives; in the executive branch, to govern; and in the legislative branch, for a Constituent Assembly and then for a normal period of the congress. This way we would be establishing methods that would lead to the building of institutions.

[Question] But there is a good deal of resistance to this. What do you attribute this resistance to?

[Answer] It is natural for all the sectors which hold any authority or which benefit by the present structures, by the existing structures, which are authoritarian in nature, which were established during this period, to be concerned. Foreign investors will always see a constituent assembly as a threat to their interests and privileges, because their concessions would be wiped out and they would have to start all over again. The same is true of all those who have held arbitrary powers, and so on. Regarding the Constituent Assembly, this is a generalized aspiration; the people do not even know what it is about. Up to now, no constituent assembly has represented any real benefits, but, at bottom, our people have great hopes that it could represent a broader democratic liberalization, hence greater opportunity to demand, to question, to move forward. Now, those of us who have some experience of life, a sense of the history of our country, understand that this constituent must take place, that it must be representative and have a high level of authenticity, along with presidential elections.

[Question] Governor, Dr Tancredo does not think precisely the same way as you do...

[Answer] From what I have read, this is not really his intention. Now, he has never been a stubborn man, and it is quite possible that the facts--reality--will convince him of the advantage of a government with indisputable legitimacy. And a simultaneous election, which could be his own election, which would not come to be the proper opportunity to resolve this problem.
[Phrase as published]

[Question] Speaking of this, Governor, there are very great expectations regarding your relationship with the new government. You have announced that you are going to be the opposition. And then?

[Answer] I am going to be faithful to my own conscience, to the commitments which I have assumed, and this leads me immediately to a position of independence, critically independent of the new government, which is basically formed by the PMDB and the so-called dissident PDS and perhaps including the official PDS itself. We disagree with these plans which the new government has been announcing and without the definition that we consider necessary, compatible with our commitments. Obviously, we cannot take a line of integration with the new government, but we do not intend to create difficulties. And in every matter related to the public interest, we offer our support without asking anything in exchange, but for the sake of our own consistency.

[Question] And the old republic, Governor, what would you say about the government which is ending now? What was your relationship with President Figueiredo? There was a first phase, which was very good; then there was a very bad phase. It even appeared that there was intrigue in the wings to disturb these relations which had been going very well. Even the SNI [National Intelligence Agency] may have gotten into the game....

[Answer] There was no change on my part. As you know, I cultivate a strategic vision of Brazilian life, and when I returned from exile I knew that the road ahead would not be easy. I also had an idea of how those who controlled the regime were going to view me, as well as my own friends in the PMDB. I have always understood that my presence in the government of Rio de Janeiro would be a difficult problem for the regime, a situation difficult to assimilate, and I acted in accordance with this picture, I never changed. I had to defend the public interest without bending or abandoning my principles. This was how I saw my relationship with the federal government.

[Question] But it was not always so easy. There were clashes, weren't there?

[Answer] You are right; at a certain point there was a curve, a downward trend in this relationship. But this did not affect my behavior. There were intrigues, or schemes executed, which in time ran up against reality. Today am certain that President Figueiredo himself was convinced that my line of conduct was precisely as I had discussed it with him in our first meeting. As I was leaving that audience, I said to him: "Mr President, you take one position and I take another. Now, what I can assure you is that there will be no disloyalty in Rio de Janeiro."

[Question] And what was his reaction?

[Answer] He simply listened, and this is what happened. Now I am sure that he himself is convinced that this is precisely how I have proceeded. Thus there was a certain change in the picture, in the behavior of his government toward Rio de Janeiro, which had been scandalously discriminated against by the various ministries.

[Question] Today, after this coexistence, what is your impression of President Figueiredo? He seems to be a man embittered by the experience of power. Did you see the interview in which he asked the people to forget him?

[Answer] I had the impression that the interview caught the president at a moment of certain bitterness and depression. We all have such moments. It is very true that Figueiredo, as president, and I, as governor, almost do not have the right to express ourselves at such moments. Now, he was sincere.

He said what he was feeling. This is very much his style. I think that, just as we cannot judge a friend by a single act in his life, we have to judge, not the president's performance during this time, but the concrete results of his government. Very often, in the exercise of government, it is possible to create, to unleash situations. Even by omission. Old Getulio did a lot of this; he used to cook things in cold water and let things develop on their own. I think that a general accounting, which history will make (with time, things are judged more impartially), will be favorable to President Figueiredo. It would be worse if we had had someone in the presidency who considered himself as "enlightened" and, using the power and the structure which he held in his hands, began to swell up and create pressure in all directions, creating anomalous situations which could not have resulted in what we are experiencing today. Jimmy Carter, for example, will have to be judged by history much less for what he did than for what he avoided doing all over the world. He lost prestige with his countrymen, but he greatly improved the image of the United States in the world. So, if we had had a military president who had not behaved precisely as President Figueiredo behaved, we would hardly be where we are now, with a rotation of power, with the transfer of power to a civilian, to a civilian of the opposition. We have to evaluate actual situations. Clearly, all of us--I myself--would like President Figueiredo to have gone beyond the state elections, to have called for direct elections, to have called for a constituent assembly, to have made the advances which the Brazilian people are demanding and to which they have a right. But this did not happen. For better or worse, the fact is that his government ended with the transfer of power to the opposition. They say: "Ah, but this is not what he wanted." I don't know. Only the president can answer that. If he had wished, he could have made mincemeat of the Maluf candidacy. If he had agreed, he would have accepted Aureliano Chaves as a candidate, and we would have Aureliano in the presidency instead of Tancredo. We could go on at great length with this line of thought. A situation like this leads to very complex behavior. Sometimes a transfer like Figueiredo made, who knows if it could not be perhaps planned by someone. The fact is that it resulted in all this and he ends his administration with humility.

[Question] Humility, governor! Doesn't it seem a little arrogant to ask the people to forget him?

[Answer] No. When he asked them to forget him, who knows if this is not a message of humility, because, strictly speaking, there was no arrogance there. He is a man who prefers to be alone. I think all this is, above all, very complex, and it must also be taken into account that although he is a man who had spent his whole life in the army and after so many years in the government, strictly apart from civilian society and hence from politicians, in this last phase of his life, he found himself in a situation that was very arduous, very complex and very difficult for him. There was always a continuing conflict with his nature and hence there was deception, explaining much of his inclination to isolate himself.

[Question] I remember something you said some years ago, Governor, proposing to place the crown of King Juan Carlos on the head of President Figueiredo.

[Answer] Ah, this must be an observation I made over 2 years ago in this very room, soon after the elections: I noted that it would be interesting if the next elections for congress and the president were held at the same time, extending the president's mandate for 2 years. It was a matter that went by the boards, but my hope was that the president would effect successive democratic acts, proposing reforms that would prepare the country for normality.

[Question] Since this did not happen, he did not get the crown.

[Answer] I think that the important crown is a crown of laurels. And now our friends in the PMDB and the dissident PDS are placing it on their heads. It could contain dangerous poisons. For example, that of assuming that they held constitutional power without the votes of the Brazilian people. This is indeed a dangerous crown. Someone has already said that the most dangerous poison is that contained in Caesar's laurel wreath.

[Question] But there are also crowns of thorns. You appear to have yours. First it was Timoteo, now it is Nery. You are being attacked at home. What is happening with the "moreno" socialism, Governor?

[Answer] The case of Nery is nothing new. To the point that, more than 6 months ago, our comrades in Rio Grande do Sul, our Gaucho comrades, were already saying: "Listen, Governor, this young man won't do." And I answered them: "No, but he will change. Someone has gotten to him, has given him advice." The Gauchos replied: "He doesn't have it, Governor, because he is just like a bull ranging along the fence." (Brizola mimicked the Gaucho accent.) "He swings his head this way and that way; he goes back and forth; he wants to go over to the other side."

[Question] So who is using Nery as a tool?

[Answer] Listen, this is a classic move of the Right to combat popular, progressive parties. They are always using people this way. The Right cannot do anything out in the open, because it is very much compromised. It uses a deputy who belongs to our party, who talks like a socialist, to discredit the cause of socialism itself.

[Question] Doesn't this worry you?

[Answer] No. In the first place, because Nery does not have the credibility to make an accusation against our government in matters of morality, of honesty in public life. The people see him as a journalist, an intellectual, more or less (Brizola makes a deprecatory gesture), dynamic, sometimes extreme, other times reasonable, kind of fidgety, a light-weight, without much depth. His role is not very acceptable from the standpoint of virtue, loyalty, comradeship, even in terms of his obligations to the party which elected him. On the other hand, we know our conduct; we are justly engaged in combating these practices and we are undeniably making progress in matters of morality. The Chagista practices are over. We have taken soap and water to a large part of this government, and this government not only does not permit but does not admit the existence of slush funds, of payoffs.

[Question] Well, Nery....

[Answer] I mean to say that Nery is just one more case. Personally, he presents no problem for me. The case of Ivete was much worse, and then Dona Sandra; they were both women and, for this very reason, were much more difficult cases. Nery can make more work for us than Agnaldo Timoteo, but he isn't the first and he won't be the last. There is no doubt that Nery was taken up in a scheme. There is no doubt that there is a whole plan to attack me through him. This plan is also not the first, or the last. Didn't you see, even this "rock" [concert] affair here--they wanted to create a problem for us. We are prepared for this; we have to live with problems like this and we do so calmly, in the knowledge that the people will judge. It is for this judgment that we are preparing. Now Nery is even saying that the government of Rio is an "achacodromo" ["thievery-drome"], because this is now the fashion. They wanted to denigrate the Passarela do Samba [Samba Pavillion] by calling it the "Sambodromo," to put it down, and the name caught on. Then came the "camelodromo" ["stupid-drome"] and then I myself said that what this country needed was a "vergonhodromo" ["shame-drome"], and now we are being spared the term "rockodromo." Well, here comes Nery saying that this government is an "achacodromo." This is puerile, irresponsible. He even exhibited a receipt, with all the earmarks of a montage, to malign our government. This is a hare-brained individual, I know, but he is still a deputy. So we will take this accusation of Nery's regarding the existence of a little cash box at face value. The receipt will be subjected to a laboratory analysis.

[Question] An accusation which is constantly made and which Nery is reviving is that you are a "caudillo," that you have a fixation about becoming president.

[Answer] This is a very common tactic of all those who want to immobilize me. I have absolutely never had this aspiration. I never wanted to walk in anything but my own house slippers.

6362

CSO: 3342/101

BRAZIL

FIGUEIREDO COMMENTS ON DISPELLING COUP DURING TERM

Idea of Coup Dispelled

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Jan 85 p 7

[Text] "The hypothesis of a coup d'etat during the course of the presidential succession process was dispelled during a meeting I had with the military ministers," announces President Figueiredo in the program "Joao Figueiredo, Revelations of a President," that REDE MANCHETE DE TELEVISAO shows today at 2115.

In the program, which was viewed yesterday in Rio by the director of journalism of the network in Brasilia, Alexandre Garcia, Figueiredo speaks of the threat he made at the beginning of his administration of "calling Pires," referring to Minister of the Army Gen Walter Pires. He gives to understand that he had a personal problem with Vice President Aureliano Chaves and once more complains about the press, also analyzing the persons he knew during his term in government, confessing himself to be distressed.

In the program Figueiredo admits that he had difficulties in granting amnesty in the development of the democratization plan but he points out that his amnesty plan was more all-encompassing than that of the opposition. The National Service for Intelligence (SNI) is also analyzed by the president of the republic in the REDE MANCHETE program. He says he speaks in his status as its former chief and as president of the republic.

Figueiredo also makes an analysis of the rise of Tancredo Neves to the Presidency of the Republic and of the support he gave to the PDS [Social Democratic Party] candidate, Paulo Maluf, in the succession campaign, arguing that he decided to support the candidate of his party.

The coordinator for the production of the program and the reporter who interviewed the president, Alexandre Garcia, prepared 30 questions but concluded by asking 52. The interview was held at the official residence of Granja do Torto.

It was the first interview of Figueiredo in the official residence and the longest he has given to the press. The president himself admitted that he spoke as a public man and as a person, giving personal characteristics to his handling of some subjects.

He also speaks about the jokes circulating about him, seeking to explain the reason for each of them; he speaks of the positions he assumed in some phases of his government, reaffirming opinions he had already expressed.

According to Alexandre Garcia, at some points in the interview Figueiredo recalls events he believes were never well explained, such as his interest in granting amnesty and proceeding to democratization with the holding of elections in 1982.

At other points, Figueiredo speaks of himself and the change in the behavior of some persons with whom he coexisted during the first 5 years of his administration. "He showed a deep distress when he spoke of the persons he knew," said Garcia.

Delayed Interview

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Jan 85 p 7

[Article by Carlos Chagas: "The Interview that arrives Late"]

[Text] Tonight TV MANCHETE will show the first and only formal interview of Gen Joao Figueiredo as president of the republic. The talks with the press before assuming the presidency in March 1979 do not count nor do his words later, spoken at the sidewalk's edge, sometimes with grace and humor, other times with irritation and gruffness to whoever dared place a microphone near his mouth. The evaluations he admitted having made abroad on trips or aspects of foreign policy at times, should not be counted either.

Figueiredo had not granted an interview, and he owes one because that of today, an exclusive to a television station, is far from presenting the orthodox characteristics of democratic regimes, as does, for example, that of Tancredo Neves last week. The replies by Figueiredo were not available to all the press but only to one reporter, whose merits are not questioned despite the fact that Alexandre Garcia managed to perform the feat because of his personal friendship and of having worked with the president for some time.

From what is known, President Joao Figueiredo presented concepts he had never before advanced. He spoke of Riocentro, certainly to justify himself for not having taken the only step the nation demanded: the identification and punishment of those guilty, but he did speak. He spoke of the difficulties encountered among the military in putting amnesty into practice and he then praised the understanding of the armed forces toward the process of political opening. He hesitated in stating that he never encouraged continuism and he belatedly explained his position on the process of succession. He spared no words at Paulo Maluf, who was not the candidate of his choice but who he supported after he had won at the PDS Convention. The former governor of Sao Paulo will not emerge unscathed from what will be heard and seen on the video screens today.

Another taboo will have been broken, although more by facial expressions and things not said than by hurtful words: Figueiredo spoke about Aureliano Chaves, Jose Sarney and other dissidents of the PDS, criticizing their behavior. He reaffirmed his preference for the smell of horses, he considered his mission successfully completed and he also expounded on the Tancredo Neves election, ungrudgingly praising the president-elect.

The problem is that the interview to be presented today by TV MANCHETE does not fill the annoying space and silence of him who for 6 years preferred a monologue to a dialogue. It comes very late, perhaps forced by comparison, since Figueiredo has decided to speak because Tancredo Neves spoke broadly, generally and unrestrictedly.

In a few hours we shall learn the content of the interview, which according to Alexandre Garcia was exceptional because the president did not refuse to speak on any of the 30 questions he asked. The format, however, leaves much to be desired, and it is not a matter of once more accentuating the unusual initiative of granting interviews to a single person instead of making himself available to all the press. In the case in point, it is because of the way Figueiredo presented himself, dressed in sports clothing, tennis shoes and other informal wear accessories which he should save for his private life. A president of the republic does not belong to himself. He may have the natural right to privacy but not to present himself as he did any more than any other Brazilian ruler since the governor generals. At the beginning of his administration, Planalto Palace distributed photographs of him in swimming trunks, lifting small dumbbells or walking in the pastures of Granja do Torto, to say nothing about equitation. The climax, however, came when they allowed him to be photographed in the garden of the Sao Jose private hospital dressed in a robe, slippers and soccer socks and with the most dispirited of facial expressions. Someone should concern himself with the problem of the presidential image without it meaning a barrier to press activity. The paradox, however, lies in the fact that when he can and should, Figueiredo does not appear. When he should not and cannot, he does. His frequent and acrid comments are the terror of photographers when he allows the recording of certain audiences in his office in Planalto Palace. There remains only to speak about the image professionals whenever they are not barred from working.

From all this there emerges one conclusion: the media system of the present government failed miserably; first with Said Farhat because of his creation of an oversized structure that should have been modest but efficient. Later, in a much more flagrant manner, when through palace intrigues he received his pink slip and decently withdrew to the hinterlands, because from then on a diplomat was called for the post and his mission was that of misinforming, confusing and prejudicing. Only the press? No. Much worse, because the one who was confused, prejudiced and misinformed was Gen Joao Figueiredo himself.

Not rarely in politics does the phenomenon appear of a government which begins to exercise the power of correcting the errors and defects of the previous government, giving lessons in behavior. Here, among us, as could not happen otherwise, the phenomenon assumed gigantic proportions. Tancredo Neves is giving lessons to Joao Figueiredo even before receiving the presidential sash, much before...

8908

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BRAZIL

STATUS, PLANS OF NUCLEAR SUBMARINE PROJECT DISCUSSED

Sao Paulo TECNOLOGIA E DEFESA in Portuguese #19 [no date given] pp 12-14

[Text] At 70 years of age the Brazilian Navy is not only the oldest in Latin America but has to its credit a history that would make any navy proud (see article on that subject on page 42 of this edition).

It is now going through a very important phase in its technical development: it is at the beginning of an ambitious plan of nationally built units, which should be concluded around the year 2000.

It is a known fact that the Ministry of the Navy has for many years been making a notable effort to renew the fleet with nationally built warships. However, submarines are extremely complex warships, whose construction involves sophisticated technology at levels which the Brazilian naval industry is only now beginning to assimilate.

Present Strength

Basically, the present Brazilian submarine fleet includes seven modern submersibles and a submarine rescue ship (see article on the subject on page 35 of this edition). Its operations center is located at the so-called Moncangue Complex, which includes the Admiral Castro e Silva Base (BACS) and the Admiral Attila Monteiro Ache Training Center (CIAMA), both located on the Island of Mocangue in Guanabara Bay, Rio de Janeiro.

They are modern, well equipped installations. BACS had docks, warehouses, offices and other facilities for providing the submarines of the fleet the necessary land support. The CIAMA is already training submariners, training officers and sailors in the future tasks of their mission.

The submarines used by the Brazilian Navy are of two basic types: the Guppy class built in the United States and the Oberon class built in Great Britain. All are conventional, modern and equipped with advanced weapons systems. The three Oberons are the S-20 "Humaita," the S-21 "Tonelero" and the S-22 "Riachuelo." All were specially built for Brazil in the 70's and their assembly was closely observed by Brazilian technicians and officers, who obtained experience on that type of vessel.

Displacing 2,400 tons submerged, they have an advanced computerized fire control center and are armed with teleguided torpedoes of the "Tigerfish" type, the same type used by the British to sink the Argentine cruiser "General Belgrano" during the Malvinas War. They also have a snorkel, a piece of equipment that allows them to recharge their batteries without surfacing.

The Guppy type submarines (Guppy stands for "Greater Underwater Propulsion Power") were built for the U.S. Navy in the decade of the 40's and subsequently underwent a modification which changed their hull, their tower ("sail" in naval parlance), their engine and their on-board systems. Seven of them were transferred to Brazil in the 70's, and although they were not exactly alike, (they were of the Guppy II and Guppy III type) they were all registered in our navy as Guanabara Class.

Four of them remain in service. They are the S-12 "Bahia," the S-14 "Ceara," the S-15 "Goiias" and the S-16 "Amazonas." Submerged they displace 2,420 and 2,450 tons, have a large radius of action and carry a good reserve of conventional 21-inch torpedoes. They are also equipped with snorkels but their on-board equipment is not as sophisticated as that of the two Oberon class submarines. That is why they should be the first to be replaced within the framework of the Brazilian Navy reequipment plan.

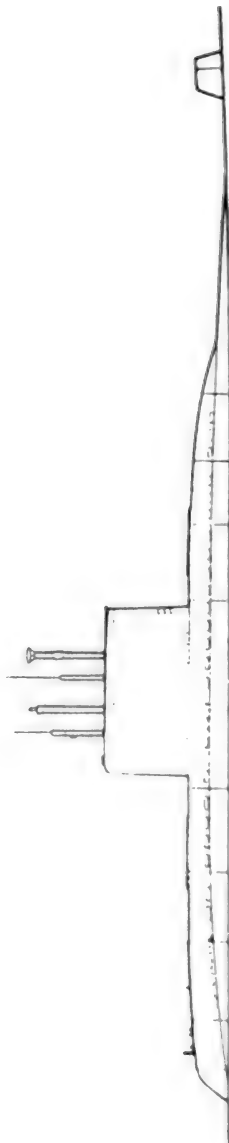
Careful Choice

When the Ministry of the Navy began to study the plans for possible replacement of the Guanabara Class submarines, it opted for a gradual move toward nationally built units. It selected a modern, conventional foreign model which could be manufactured here later.

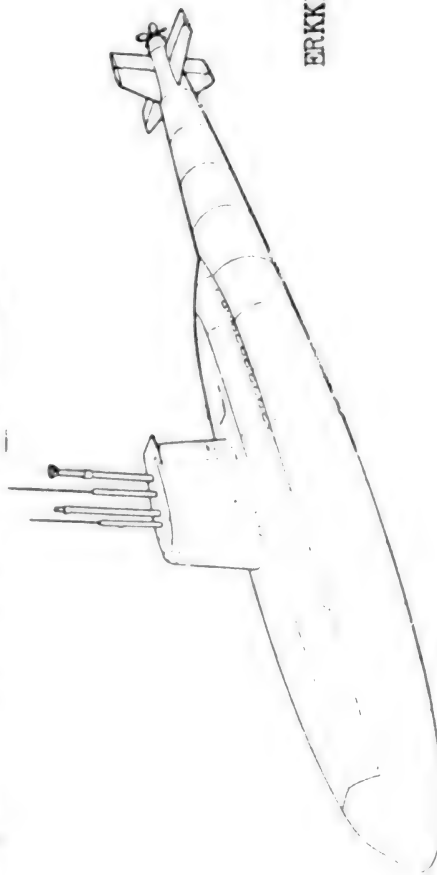
This cautious program can be explained. In the first place, submarines are very complicated warships. To build them, it is first necessary to master advanced technologies in metallurgy, compound materials, electronics and a high degree of quality control, fields into which the now well-installed Brazilian naval industry is just now entering. Moreover, up to now the Brazilians have built no submarines at all. There is nothing more natural, therefore, than to begin with a foreign warship which is already proved and built by a nation with long experience in the field.

Several models were analyzed and compared from a list which included the French Agosta, the Italian Sauro and the German IKL. Technical, economic and political reasons finally resulted in the selection of the IKL-209-1400 type, of which one unit will be built in Kiel in the FRG under Brazilian supervision. A second identical unit will be built subsequently in Rio de Janeiro.

The IKL-209-1400 is an improved model of the IKL-209 Class. It has an excellent performance and great acceptance, having already been sold to the navies of Greece, Colombia, Ecuador, Argentina, Indonesia, Peru and Venezuela. Chile has also ordered two units of the IKL-209 III type from Germany and should receive them in 1986.



The Brazilian IKL-209-1400 submarines are similar to the German IKL-209 III model with modifications. They will have a displacement of 1,310 tons on the surface and 1,440 tons submerged. They will measure 61 meters in length and will be armed with 8 tubes for firing conventional or teleguided torpedoes, carrying 8 reloads on board. They will be equipped with computerized central fire control and will have a snorkel for recharging their batteries while submerged.



ERKKI BOHM DESIGN

The Future Brazilian Nuclear Submarine

The first Brazilian nuclear submarine should look like this. It will be a modification of the German IKL-1400 model with a longer reinforced hull and extensive modifications in its internal design. It should displace nearly 2,500 tons on the surface and over 2,700 tons submerged. Its propulsion will be insured by a light water, closed cycle nationally built reactor with 12 megawatts of power which will drive electric motors. It will also have auxiliary diesel motors. Its flank speed submerged will be between 25 and 30 knots. Armament will include 6 tubes (with 12 reloads) for firing conventional or teleguided torpedoes. Maximum dive depth: nearly 280 meters.

Technological Support

Actually, these two vessels will not exactly follow all the details of the ISL-209-1400 German type. They should include modifications in their basic design and will have a significant percentage on board of parts and components manufactured in Brazil. Their entry into service, however, will allow the replacement of two of the four Guanabara Class submarines.

It will also open the road for the following phase: The manufacture of a larger series of nationally designed submarines of the NAC1 and NAC2 type. Details on them still remain secret but it is known that they will be versions of the German IKL-209 type, which displaces 1,440 tons submerged.

Although modern and versatile, the IKL still has some shortcomings as far as Brazil is concerned, for example, a limited range of action. Such shortcomings will be corrected in the Brazilian NAC's, whose construction will begin in the decade of the 90's.

Therefore, around 1994 (10 years from now), the Brazilian submarine force should have already replaced all its remaining Guanabara's. The three Oberons will still be in use (probably modernized). Together with them will be the two IKL-209-1400 and the first NAC1's, for which a series of four units is foreseen. Between 1994 and 2000, the six programmed NAC2's will enter into service and the keel laid for the first Brazilian nuclear submarine, a warship of national design, the building of which will require the solution of two important problems: the availability of funds and the end of the development of the Brazilian naval reactor, on which work is progressing under a cloak of strict secrecy. The Brazilian naval nuclear reactor program began nearly 4 years ago and is being carried out by technicians of the Naval Research Institute at the installations of the IPEN (Institute for Nuclear and Energy Research) of Sao Paulo. The unit is of the light water, closed cycle compact type and has a nominal power of 12 megawatts. The nuclear submarine will be a very much modified IKL-209 displacing 2,500 tons on the surface and 2,700 tons submerged.

Actually it was German cooperation provided since the beginning of this program which concluded by leading the Brazilian Navy to choose the IKL model. The Italians had required the adoption of their own nuclear reactor in a modified hull of the submarine "Nassario Sauro," while the Germans agreed to help in the adaptation of the IKL for the Brazilian reactor.

It is known that the future Brazilian nuclear submarine will have a speed on the order of 25/30 knots submerged and that its armament will include six tubes for the firing of "Tigerfish" type torpedoes.

It will be a modern warship, which in addition to a nuclear-electric motor, will also carry conventional diesel motors. It will very probably serve as a model for a series of other similar vessels, standard equipment of the Brazilian submarine force in the first decades of the next century.

BRAZIL

AIR DEFENSE CENTER BEGINS OPERATION IN MID-FEBRUARY

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Feb 85 p 2

[Text] Curitiba--When President Figueiredo's plane flies over the southern part of Parana en route to Curitiba on the 15th of this month, its entire trajectory will be tracked by computers linked with a radar station at the Second Combined Air Safety and Air Traffic Control Center (CINDACTA II), which the president himself will inaugurate that day. With a cost budgeted at \$195 million, the system will initially operate at half its total capacity for radar coverage, which ranges from the southern part of Mato Grosso to a part of Uruguayan territory.

Covering an area of 3,600 square meters within the urban perimeter of Curitiba, the CINDACTA II complex was built in hexagonal form at a depth of 17 meters, such that its equipment will be protected against the heaviest bombing attacks, the Air Force says.

Various consoles with video screens on which the movements of planes in the southern part of Parana, Santa Catarina and Rio Grande do Sul can be observed are installed in this complex. One single screen can display the entire region as tracked by radar installations in the three states. Currently only the Morro da Igreja radar station, near Lajes, in Santa Catarina, is operational. But when the entire system has been installed, other stations will be in operation on hills near Pelotas, Cascavel, Santiago and Campo Grande, at an average cost of \$30 million for each base.

The strategic location of these radar stations will make it possible to visualize the movements of aircraft on the frontier and also a part of the territory of Argentina, which is "militarily, our potential enemy," according to Col Jose Flavio Celestino.

When it is necessary to intercept planes using Brazilian air space without authorization--and such exists, according to Colonel Celestino, as proved by photographs, although it has not been possible to detect them in time--Porto Alegre Pursuit Squadron jets can carry out the task, with the aid of computer calculations.

In the air traffic control sector, this visual tracking will enable the CINDACTA to regulate and direct the movements of all aircraft using this base which have previously filed flight plans and obtained authorization. This will

avoid many of the accidents which occur when pilots receive instructions which they cannot carry out strictly because the operators could not be certain of the actual position of their aircraft, the colonel said.

It is estimated that a total of 15,000 aircraft, both commercial and military, will be controlled by CINDACTA II every month during its first phase of operation. About 50 individuals will be directly involved in this work at each radar site base. Approximately 400 individuals work at the center. But, including technicians, operators and security personnel, the staff within the camouflaged underground facility must total about 60. All of these people can remain there up to a week without coming to the surface. In order to complete the air control and defense system, the air ministry is scheduled to establish CINDACTA III in Recife, by 1988, and the Area Control Center, in the Amazon region, which will be integrated with CINDACTA I in Brasilia and CINDACTA II in Curitiba.

5157

CSO: 3342/101

18 March 1985

BRAZIL

ADDITIONAL TUCANO AIRCRAFT UNITS DELIVERED TO EGYPT

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Feb 85 p 2

[Text] Sao Jose dos Campos--The first assembly kits for the T-27 training aircraft, the Tucano, have just been shipped to Egypt and are now being used by the Arab Organization for Industrialization, which has its headquarters in Kader, an industrial city located near Cairo. This military training plane was designed by the Brazilian Aeronautics Company [EMBRAER], pursuant to an order from the FAP [Brazilian Air Force], and it is expected that exports of it in the coming years will exceed those of the Bandeirante.

The Egyptian Air Force has already received four Tucano units, and six others are in preparation at the industrial facilities of the EMBRAER in Sao Jose dos Campos. They will be shipped to Egypt, thus completing the 10 units totally manufactured in Brazil for which the contract signed in November of 1983, in the amount of \$181 million, provides.

The production of the first 10 finished units for delivery to the Egyptian Air Force followed a strict schedule, which was fully met by the EMBRAER manufacturing sector, which also prepared the first kits sent to Kader. Brazilian technicians are supervising the assembly of the first two Tucanos, which are on the production line, in that Egyptian industrial city. Kits were shipped direct from EMBRAER by charter flight, and the fifth shipment is scheduled for some time before the end of this month. In this phase, the kits are made up of all of the parts for the fuselage, wings, tail assembly and other structural parts of the aircraft, completely finished, so that the Kader factory is responsible for the final assembly and installation of the system.

The Tucano costs approximately \$1.2 million per unit, and the contract with the Egyptian government calls for continued deliveries of the aircraft until 1987, up to a total of 120 units, with the possibility still open for the purchase of another 60 aircraft.

The contract with Egypt is divided into three phases, with the first providing for the delivery of 10 aircraft fully assembled in Sao Jose dos Campos. The second involves the delivery of sets of clearly defined parts, such as a complete fuselage, wings, tail assembly and other structural elements, as well as full systems, while the third phase calls for the assembly of some aircraft sections from primary parts shipped from Brazil.

Apart from airplane parts, the EMBRAER is also supplying the Kader factory with all of the templates and tools needed for the Tucano production line, as well as technical assistance, which is provided by Brazilian technicians. The training of Egyptian mechanics and engineers is also being undertaken by the EMBRAER.

5157

CSO: 3342/101

BRAZIL

CONTINUING HIGH INFLATION IN NEXT THREE MONTHS PROJECTED

Sao Paulo O ESTADO DO SAO PAULO in Portuguese 3 Feb 85 p 45

[Text] Brasilia--Inflation is likely to provide a new surprise in February, only in this case it will be for the worse. While the Special Secretariat for Supply and Prices (SEAP) had estimated the rate at 12 percent, the Central Bank put forth an estimate of 13.3 percent 2 weeks ago. The financial market should give the first indications of what can generally be expected where the monthly inflationary rate is concerned this week.

The SEAP had expected a 13 percent rate of inflation in January, while the Central Bank was working with a rate of 12.3 percent. The 12.6 percent announced last week showed that the calculations of the Central Bank, which were even submitted to creditor banks, proved much more realistic. Mention of the errors of the SEPLAN [Secretariat of Planning] by financial market technicians is common.

A confidential report on inflation prepared by the SEPLAN and sent to certain ministerial offices indicated that the 12 percent rate in February would likely result from an increase of 11.1 percent in the Wholesale Price Index (IPA), 11.4 percent in the Cost of Living Index (ICV) and 25 percent in the Civil Construction Index (ICC). The IPA counts for 60 percent, the ICV 30 percent and the ICC 10 percent in the structure of the General Price Index (IGP).

Central Bank technicians now estimate that, in addition to an inflationary rate of 13.3 percent for this month as compared to 12.3 percent for the same month of last year, inflation will continue to be high in March, with a rate of 11.9 percent. In the period between April and June, the inflationary average should fall to between 9.3 percent and 9.8 percent, declining gradually thereafter.

The Getulio Vargas Foundation has warned of the risks of inflationary tension, using as its basis four fundamental points: the excessive monetary expansion in the last quarter of 1984, real wage adjustments, imbalance in the food supply during the present harvest, and the possible attempt to control inflation by means of exchange and price mechanisms.

Other institutions have warned that the situation will be truly difficult during this first quarter. Businessmen linked with President-Elect Tancredo

Neves are already, therefore, suggesting that the new government adopt a shock tactic, with psychological effects, in an attempt to bring inflation down.

Economist Celso Furtado, one of the representatives of the PMDB [Brazilian Democratic Movement Party] on the commission which drafted the plan for the Tancredo government, has given assurance that it will not be by means of a price freeze that an effort will be made to reduce inflation. In his view, this would pose a danger, because freezing prices, given the current situation, would be like trying to bring a jumbo aircraft to a halt in the air.

5157

CSO: 3342/101

BRAZIL

ECONOMISTS PREDICT THREE DIFFICULT MONTHS FOR MIDDLE CLASS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Jan 85 p 26

[Text] Let the middleclass prepare: January, February and March will be traumatic months for the budgets of all those who earn between six and 33 minimum wages. The forecast was made by the Order of Economists of Sao Paulo, an organization which every month checks the Middleclass Cost of Living Index--ICVM. According to its president, Miguel Colasuonno, the prospect is that the ICVM of the first 3 months of the year will reach the figure of 11 percent per month, the largest since the Order began that survey.

The causes for that rise, according to Colasuonno, will be the increase in the prices administered by the government, which were contained at the end of the year, and the wage readjustment of the civil construction workers. "That will be extremely difficult months for that sector of the population. Who between 1979 and 1984 has already suffered a real loss of 30 percent in buying power," said Colasuonno.

At the same time that it made this forecast, the Order revealed the final figures on the ICVM for 1984. In December the index fell to 8.14 percent but the accumulated index for the year rose to 175.41 percent. The average monthly variation for 1984 was 8.8 percent. The discrepancy between those figures and those of the INPC [National Consumer Price Index] (204 percent) is due only to a difference in methodology. While the official index is calculated by the Laspeyres method, the Order uses an approximation of the Divisia method.

As far as Colasuonno is concerned, the rising trend of the first quarter is irreversible. From then on everything is going to depend on the economic policy of the future government. The Order believes that there are two keys for reversing the growth of the ICVM: better results in negotiations of the periods of payments and interest of the foreign debt of the country and the use of the middleclass labor force in the social pact.

"The middleclass," explained Colasuonno, "is at the limit of economic exhaustion and cannot make any other type of sacrifice. However, if its capacity for consumption were preserved and its desire for social advancement respected, there will be growth and a decline in inflation."

In 1984 the increases which weighed the most in the variations of the ICVM were those of food (34.71 percent of the total), personal expenses (19.78 percent). The greatest increases of the year were in bed, table and bathroom articles (229.11 percent, with a weight of .54 percent in the index) and clothing (218.62 percent with a weight of 8.66 percent).

This continuous and growing erosion of buying power also caused significant changes in the consuming habits of the middleclass. The Order of Economists, which continues to make surveys on the subject, confirmed that the members of that social stratum continue to exchange private medical attention for the INPS [National Institute of Social Security], private schools for public schools and above all, they continue to abandon their favorite brands for cheaper brands.

8908

CSO: 3342/88

18 March 1985

BRAZIL

INDUSTRIAL PRODUCTION UP 6.67 PERCENT IN 1984

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Feb 85 p 26

[Text] Brazil's industrial production grew 6.67 percent in 1984 in relation to 1983; even so, the indicator of 106.67 in the period from January through December was lower than the 107.76 registered in 1980, which was the last year of economic growth in the country, followed by a recession that continued until 1984.

According to figures released yesterday in Rio by the IBGE [Brazilian Institute of Geography and Statistics], the 27.27-percent growth in the mineral extraction industry, sparked by the 34.98 percent increase in petroleum and natural gas production, contributed decisively to industrial growth in 1984. The best result occurred in the last quarter of the year, with a growth of 9.42 percent, evidence of a trend toward the recovery of economic activity, initiated at the start of the second quarter.

Of the 17 industrial sectors surveyed by the IBGE, 13 showed growth in 1984. Only three of them showed a decline in production: perfumes (-0.70 percent), food (-0.86 percent) and textiles (-3.34 percent). According to the IBGE, the growth of exports mainly benefited sectors geared to this activity, such as the metallurgical sector, which expanded 13.28 percent. Notable within this sector were pig iron (18.43 percent), steel and iron alloys in primary forms (22.94 percent) and foundry and forged steel (34.65 percent).

Also benefiting from exportation were metal mineral extraction (32.06 percent), paper and cardboard (6.44 percent), shoes (12.93 percent) and, in the food sector, orange juice, production of which increased 15.71 percent.

The increased demand for agricultural equipment and goods also favored various industrial sectors, such as machinery (14.50 percent), chemicals (8.70 percent), farm equipment (48.13 percent), tractors and road equipment (31.76 percent) and manure and fertilizers (34.13 percent).

Domestic Market

The growth of the domestic market, indicating economic recovery and renewed purchasing power, contributed to the growth of industrial production in the second half of 1984. The production rate for consumer goods went from a decline

in the first two quarters to a significant growth of 8.24 percent in the last quarter of 1984. Although the two subcategories (durable and nondurable goods) showed a growth in the last 3 months of 1984, the recovery of durable goods was concentrated in the last quarter (7.76 percent), contrasting with the 8.20-percent decline in the period from January to September.

According to the INGE, two distinct phases characterized the performance of industry in 1984. In the first 6 months, the average growth of 4.99 percent was the result of activity in the sectors more closely linked to the foreign market and to agriculture. In the second half of the year, the accelerated industrial growth rate was influenced by the recovery in production of consumer goods and continued expansion in the capital goods sector, which grew 12.97 percent in 1984 over 1983, with the sharpest rise occurring in the last quarter, when it grew 19.57 percent.

Industrial Production, January-December 1984

General Industry: 6.67 percent.
Mineral Extraction: 27.27 percent
Manufacturing: 5.99 percent.
Capital goods: 12.79 percent
Semifinished goods: 9.85 percent
Consumer goods: 0.26 percent.
Durable goods: 4.46 percent.
Nondurable goods: 1.17 percent.

4382
CSH: 3342/1112

BRAZIL

CDI WARNS DECLINE LIKELY IN 1985 EXPORTS TO U.S.

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Feb 85 p 45

[Text] Brazilian exports to the United States in 1985 should encounter serious difficulties, making new growth in the trade balance doubtful, predicts the CDI [Industrial Development Council] in the document "Thoughts on the Brazilian Economy." According to the CDI analysis, the difficulties in the foreign area will mean that "the country's growth this year will have to be based on more solid foundations, through the vitalization of the domestic market."

According to the CDI, most of the trade surplus last year could be credited to massive imports by the United States, fostered by the value of the dollar in relation to other currencies. However, the U.S. import policy, which permitted the United States to buy more cheaply abroad and to keep domestic inflation rates down, cannot last. The report stresses that the growth of the U.S. trade deficit to unprecedented levels will lead to a natural devaluation of the dollar.

In addition to the trade deficit pressures, the U.S. Government will have difficulty maintaining its import policy because of the growing protectionist demands, which could result in broader restrictive measures than the present ones, hampering the growth or even the maintenance of the volume of Brazilian exports to the United States. The CDI also warns that the concern about the size of the U.S. budget deficit will certainly dictate major changes in the Reagan administration's current economic policy or will result in new hikes in the interest rates by the U.S. banking system. The document warns: "The repercussions of this last possibility could be very damaging to Brazil, because it could lead to an increase in our foreign debt service and jeopardize Brazil's capacity to amortize the debts because of the disincentive it represents for international trade."

The CDI feels that another obstacle to the growth of the trade balance in 1985 is the impracticality of maintaining imports at the current levels, which will have to be altered if the economic policy of the next government is geared to development. The CDI document notes, however, that imports must be selective, taking into consideration the preservation of the country's industrial park, which lost its competitiveness because of the crisis in force since 1981.

To offset the difficulties in the foreign area, the report stresses the need to vitalize the domestic market. According to the document, despite the alleviation of the process of stagnation in recent years as a result of the trade surplus obtained in 1984, the reduced contribution of exports to the Brazilian economy rule out a vigorous resumption of expansion without policies to stimulate domestic demand.

The CDI analyzes the statistics of the CDC (Commercial Development Council) regarding the behavior of retail trade, which showed a 10.8-percent decline in the first half of last year and recovered slightly by the end of the year, when retail sales normally pick up. The CDI also notes that the nature of the economic recovery in 1984 becomes clear when it is observed that the industrial sectors linked to exportation presented the best performance.

The analysis further notes that the country's wage policy created additional difficulties in spreading the effects of the gains in exports to the economy as a whole. According to the CDI, the wage policy was not only prejudicial to the workers but also to the businessmen, since it did not contribute at all to combating inflation, which remained above the 1983 rates, affecting the profitability of the companies, "already staggered by the high cost of financing." The high inflation rate also affected the demand for products and reduced the job market.

The CDI document concludes: "For the year 1985, the idea of maintaining sustained growth, with the recovery of the domestic market as the driving force, together with the increase in exports, could bring about a reversal of the recessive cycle which the Brazilian economy has been experiencing in the last 4 years."

6362

CSO: 3342/101

BRAZIL

TRADE PROBLEMS WITH EAST EUROPE ANALYZED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Feb 85 p 22

[Text] The chronic trade imbalance between Brazil and the socialist countries was indicated yesterday--the first day of the conference on trade with Eastern Europe--as one of the principal obstacles to be overcome in trade between these countries. According to Foreign Minister Saraiva Guerreiro, despite a growth of about 100 percent in trade between Brazil and the socialist countries from 1978 to 1983, from \$1 billion to \$2 billion, "there are problems which it is imperative to solve if trade is to reach higher levels."

From January through October 1984, Brazil purchased \$380 million worth of products from the socialist countries and sold \$1.14 billion worth to them, according to Jose Carlos Coimbra, chief of the Department of Promotion and Markets, of CACEX [Foreign Trade Department of the Bank of Brazil]. According to Coimbra, Brazil basically sells grains, such as coffee, soybeans and cacao, and purchases petroleum, chemical products, fertilizers, machinery and equipment. In his opinion, the major problem with trade between the countries is to find products which East Europe can supply to Brazil.

"In addition to a lack of tradition in some sectors, the Eastern European countries have a small-scale offering and a limited choice," Coimbra reported to the conference, which is continuing today in the auditorium of the FIESP [Sao Paulo State Federation of Industries]

Coimbra estimated that this year Brazil's trade should amount to \$28 billion in exports and \$16 billion in imports, a positive balance of \$12 billion. "To arrive at these figures, we should reduce petroleum imports through increased domestic production, and we intend to spend the money saved on petroleum to provide incentives to private enterprise to import technology and capital goods," Coimbra explained.

The USSR also has a trade balance problem. According to Irina Itschemko, a Soviet foreign trade expert, "many proposals for the marketing of Brazilian products are already being analyzed, but it is basic to settle the matter of exports of machinery and equipment to correct the imbalance."

According to Coimbra, Brazilian imports of machinery and equipment from the socialist countries have always been a "strong item on the trade list," although in recent years the USSR has reduced its public investments in the sector. The conference ends today; starting at 1545 hours, some Brazilian exporters will talk about their experiences in trading with Eastern Europe.

BRAZIL

CNPQ SUBMITS SCIENCE, TECHNOLOGY POLICY PROPOSAL

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Feb 85 p 4

[Text] Brasilia--The Scientific and Technological Council of the CNPq [National Council for Scientific and Technological Development] has submitted a specific recommendation for the creation of a special secretariat under a special ministry for scientific and technological affairs to Secretary of Planning for Sao Paulo Jose Serra, who is the coordinator for the planning commission for the Tancredo Neves government.

The proposal suggests that the minister preside over a collegiate body on the highest level responsible for planning and the establishment of general guidelines and priorities for science and technology. The council is recommending to the new government that the funds allocated for activities in science and technology be really increased with a view to reaching a minimum of 2 percent of the gross domestic product within 5 years. It further proposes the establishment of special incentives to encourage the pursuit of activities in this sector by domestic private enterprises.

Among these incentives, this collegiate body stresses financing under special conditions, financial support in the form of risk contracts, and double accounting for the purpose of calculating the income tax owed and the expenditures on research, development and the training of human resources. The document submitted to the new government also recommends that the participation of society in directing the scientific and technological development of the country be effected on the basis of approval of a national plan to be drafted by the special secretariat, approved by the collegiate body and submitted to the National Congress.

The members of the Scientific and Technological Council of the CNPq include the presidents of the SBPC [Brazilian Society for the Advancement of Science], Crodowaldo Pavan, and the Brazilian Academy of Science, Mauricio Matos Peixoto; the president of Brazilian Gradiente Industries, Eugenio Emilio Staub; Professors Luiz Paulo Rozemberg and Paulo Alcantara Gomes of the UFRJ [Federal University of Rio de Janeiro]; Fernando Antonio Figueiredo Cardoso da Silva of the UFPE [Federal University of Pernambuco]; Afrano Aragao Craveiro of the UFCE [Federal University of Ceara]; Eduardo Zaccaro Faraco of the UFRS [Federal University of Rio Grande do Sul]; and Roberto Luis Franco Bruce of the UFGO [Federal University of Goias]. Other members outside the government sector include Jose Carlos Correia Maranhao, director of the San Antonio Sugar

Mill; Valter de Almeida Barbosa, of the Portuguese Charity Hospital; Ary Burger, director and superintendent of the Rio Grande Profit-Sharing Company; Jose Alencar Moreira, head of the National Cotton Research Center; Sergio Carlos Lupattelli, director and president of Madeireira Nacional, S.A. (National Lumber, S.A.); Luis Paulo Binetti, director of the SENAI [National Service for Industrial Apprenticeship]; and Jose Ripper Filho, technical director of ELEBRA [Brazilian Electronics].

Members of the council representing the government include the president of the BNDES [National Economic Development Bank], the president of the FINEP [Funding Authority for Studies and Projects], the assistant director of the EMFA [Armed Forces General Staff] for technological affairs, the president of the EMBRAPA [Brazilian Agriculture and Livestock Research Enterprise], the superintendent of the Planning Institute (IPLAN) of the Planning Secretariat of the Presidency of the Republic, the secretary for industrial technology at the Ministry of Industry and Commerce, the secretary for higher education at the Ministry of Education and Culture, the secretary for the environment at the Ministry of Interior, and the secretaries for science and technology at the Ministries of Health, Communications, Mines and Energy, Transportation, Foreign Affairs and Finance.

These council members stated in the document which has been sent to the new government that it is necessary to adopt a specific policy for science and technology, "such as to guide efforts in the direction of strengthening our national capacity, with the simultaneous establishment of favorable conditions in the social sector for the development of this field, through a broad program to mobilize the people and develop their awareness of its decisive importance to the development and sovereignty of the country."

5157

CSO: 3342/103

BRAZIL

REPORTAGE ON DISCUSSIONS OF COPAG SESSIONS

Transfer to Agriculture Proposed

Sao Paulo O ESTADO DO SAO PAULO in Portuguese 6 Feb 85 p 24

[Text] Brasilia--The transfer to the Ministry of Agriculture of all the bodies concerned with the supply and price sectors, which are today under the jurisdiction of the Ministry of Planning, was among the options submitted for the consideration of President-Elect Tancredo Neves by the Government Planning Commission (COPAG). This matter was discussed some days ago at a meeting between the coordinator of the commission, Jose Serra, and the secretary of the Special Secretariat for Supply and Prices (SEAP), Jose Milton Dallari, at the request of the former.

According to authorized SEPLAN [Secretariat of Planning] sources, Dallari advised against the measure, arguing that the assignment of the SEAP to the Ministry of Agriculture would only make sense if this were a politically strong ministry capable of ensuring that its decisions would prevail over those of ministries such as Mines and Energy (fuel prices), Industry and Trade (steel, sugar and alcohol prices), to mention only the most important controlled prices.

However, tradition shows that the Ministry of Agriculture is one of the least political, even under the present government, which decided to allocate priority to the farm sector. In addition to this, the placement of the Inter-ministerial Price Council (CIP) within the structure of the Ministry of Agriculture would be inconceivable, since this interministerial body functions above all in the area of industrial prices, directly or indirectly controlling more than 300 items which have nothing to do with the farm sector.

The assignment of the Production Financing Commission (CFP) and the SUNAB [National Superintendency of Supplies] to the Ministry of Agriculture, in order to deal specifically with farm production and supply problems, would be reasonable, but the CIP would have to be returned to the Ministry of Finance, where it was prior to the creation of the SEAP. In such a case, the problem created would be the inevitable elimination of the SEAP, which would make a permanent means of contact between the agriculture and finance ministers necessary in order to permit joint action by the SUNAB/CFP and the CIP.

Analysis of Inflation

Brasilia CORREIO BRAZILIENSE in Portuguese 2 Feb 85 p 11

[Article by Cecilia Plese: "COPAG To Analyze the Risk of Uncontrollable Inflation"]

[Text] Sao Paulo--The Government Planning Commission appointed by President-Elect Tancredo Neves is scheduled to meet in this capital city at 1430 hours next Monday, in the auditorium of the central office of the BANESPA, for the purpose of resuming the studies begun at the last meeting, also held in this capital city, on public financing, industrial policy and energy policy.

The members of the commission have never ceased, however, even for a moment, to fear the increasing escalation of inflation, which is blamed on the neglect of the current government and its ineptitude in this sector. Although none of the commission members are prepared to speak about the suggestions which will be submitted to Tancredo Neves, to begin with because none of them knows if they will or will not be implemented, and secondly, because it will be for him to decide whether to announce them or not--they all agree that it is necessary to utilize the remedies suggested from the very first day, because if inflation is not subjected to rigid control immediately at the beginning of the government term, it will be difficult to reduce it as time passes.

Some of them say that the problem can only be resolved by drafting a complete diagnosis of the entire economic situation of the country, and the sequence of results which the adoption of such measures as, for example, the abandonment of indexing or price control, might have on the other segments of the financial sector. To reveal the status of the studies pertaining to inflation, they argue, would place the president-elect in a delicate position, and might also threaten the chance of these measures for success, since their impact could be offset or reduced by the sectors which feel themselves threatened by the decisions made. In any case, our sources admitted that control of the public deficit is closely linked with the possibility of encouraging a reduction in inflation. But given the lack of concern on the part of the present government with the problem, they fear that the indices will exceed the most pessimistic predictions before March, functioning like a snowball or a delayed-action bomb.

These sources further note that the priority for the strategy of economic growth combined with the reduction of inflation will be maintained by Tancredo Neves. However, in order for all of Brazilian society to be able to participate naturally in a mobilization of the scope which would make the implementation of such policy viable, it will be necessary first of all to redemocratize the nation entirely, which will only be possible beginning in 1986, with the election of a constituent assembly.

Industrial, Energy Policies Studied

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Jan 85 p 34

[Excerpt] The wage policy has not yet been discussed by the COPAG, but the industrial and energy policy studies are practically complete. This information was announced yesterday in Sao Paulo at the end of the sixth session of the group by the secretary and coordinator of the commission, Jose Serra.

Public financing was the main subject at the meeting, which lasted more than 4 hours, at the BANESPA yesterday. The commission studied the government budgets (fiscal, monetary and state) and their relation to the public deficit. Unification of the budgets will be one of the basic proposals in the document the group is drafting on the subject of the public deficit. According to Serra, the commission "is focusing on the accounts" instead of discussing what the best method for calculating the deficit in relation to the gross domestic product would be.

The members of the COPAG arrived in Sao Paulo in the morning, but the meeting at the BANESPA did not begin until 1630 hours. The first to arrive were Helio Beltrao and Celso Furtado, followed by Sergio Freitas, Sergio Quintela, Luciano Coutinho, Sebastiao Vital and Jose Serra. As he left the meeting, 10 minutes before it ended, businessman Sergio Quintela admitted that inflation was one of the subjects discussed at the session.

Serra revealed that the group is proposing a consistent medium- and long-range energy policy, and that the issue of data processing was included in the industrial policy studies. The secretary denied that he had met with the president of the Central Bank, Affonso Celso Pastore, to discuss the document concerning the foreign debt, before Pastore left yesterday for a new round of negotiations with the bankers in New York.

The COPAG coordinator did not want to give details on any of the studies by the group, stating that its main recommendations are being sent to Tancredo Neves, and that it is for the president-elect to reveal whatever he sees fit. According to Serra, any information released early might create some confusion about what the members of the commission say and what the future president thinks.

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BRAZIL

DNPM NOTES MINERAL PRODUCTION RISE, INADEQUATE FUNDING

Growth Recorded

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Jan 85 p 42

[Text] The first estimates of the PMB (Brazilian Mineral Production) for 1984 indicate a 34-percent growth over 1983, according to the DNPM [National Department of Mineral Production] Division of Mineral Economy. This can be attributed in large part to the 58.9-percent increase in petroleum and natural gas production. Even excluding these two products, the PMB would show a growth of 19 percent.

With the PMB estimated at 17.9 trillion cruzeiros, petroleum represents 53 percent (9.5 trillion cruzeiros) and natural gas represents 5.8 percent (1.05 trillion cruzeiros). Domestic petroleum production increased 41 percent in 1984, reaching 472,000 barrels per day, meeting 50 percent of the total market demand of 946,000 barrels per day, down 1.4 percent from last year. Imports to meet consumption demand amounted to 474,000 barrels per day. Natural gas production went from 4 billion to 5.2 billion cubic meters, a 32-percent increase.

Iron ore replaced gold as the most important PMB item after petroleum. Brazil produced 90 million tons in 1984, or 1 percent more than in 1983, but this represented 8.5 percent of Brazil's mineral production. Nonetheless, the nation's iron mines were using only 64 percent of their installed capacity, which can reach 140 million tons.

According to the DNPM, national gold production reached 55 tons, 2 percent higher than the 53.6 tons registered in 1983, but representing only 8.2 percent of the PMB; because of the almost 20-percent decline in international gold quotations during 1984, gold dropped from second place, which it had won for the first time in 1983.

The other mineral products showed improved performance, with a 39-percent growth in tin production, which reached 17,700 tons, or 2.3 percent of the PMB; a 37-percent growth in bauxite (aluminum), which reached 5.7 million tons (1.7 percent of the PMB); a 21-percent growth in phosphate, reaching 1.3 million tons (1.8 percent of the PMB); and a 14-percent increase in coal production, with 7.1 million tons and 1.9 percent of the PMB.

Table 1: Brazilian Mineral Production in 1983

<u>Product</u>	<u>Quantity</u>	<u>Value (10⁶ cruzeiros)</u>
Petroleum	19,141,000 m ³	2,043,015
Iron	88,694,635 T	224,728
Gold	53,683,815 G ³	586,421
Gas	4,013,000,000 m ³	224,728
Tin	12,741 T	90,767
Coal	6,721,620 T	115,467
Phosphate	1,134,000 T	130,635
Bauxite	4,213,907 T	88,738
Limestone	44,918,329 T	109,610
Manganese	1,898,479 T	49,500
Others		454,487
Petroleum and gas		2,268,506
Excluding petroleum and gas		1,929,200

Table 2: Brazilian Mineral Production, 1984

<u>Product</u>	<u>Quantity</u>	<u>Value (10⁶ cruzeiros)</u>	<u>Percent of PMB</u>
Petroleum	26,983,307 m ³	9,562,264	53.0
Iron	90,000,000 T	1,530,000	8.5
Gold	55,000,000 T ³	1,485,000	8.2
Gas	5,292,500,000 m ³	1,051,849	5.8
Tin	17,700 T	429,965	2.3
Coal	7,153,562 T	355,934	1.9
Phosphate	1,373,000 T	337,661	1.8
Bauxite	5,785,000 T	310,863	1.7
Limestone	50,625,500 T	300,000	1.6
Manganese	1,900,000 T	173,421	0.9
Others		2,459,124	13.6
Petroleum and gas		10,614,113	58.9
Excluding petroleum and gas		7,381,968	41.1

Research Funding

Rio de Janeiro O GLOBO in Portuguese 3 Feb 85 p 35

[Text] Brasilia--The lack of funds for basic mineral research is damaging and threatening to the nation's security, because in 10 years it could place the country in the position of an importer of mineral raw materials again. It is urgent to turn this situation around, "or future generations will see the nation's resources depleted."

This is the major finding of a 19-page document delivered to Jose Serra, coordinator of the commission which is drafting the economic plan of the Tancredo Neves

government, by the DNPM (National Mineral Production Department), as an aid to the new administration.

The document contains a detailed assessment of the mineral situation and proposes a series of measures to turn around a picture which it considers critical and which could have serious consequences within the next decade, with a loss of export opportunities and an increase in imports, giving rise to a large trade imbalance.

The document makes no mention of the future government's intention to create the Ministry of Mines and Metallurgy, dismembering the Ministry of Mines and Energy, an idea defended by Yvan Barreto de Carvalho, general director of the DNPM, but it makes it clear that if sufficient funds are not allocated to the agency to invest in basic mineral research, fewer new mineral deposits will be discovered and put into production, to replace those which are being exhausted.

According to the evaluation, the DNPM does not even have the manpower to meet its responsibilities effectively. Since it is a direct government agency, with salaries controlled by the DASP [Administrative department of Public Service], the DNPM is not in a position to hire sufficiently qualified technicians to analyze, supervise and monitor the "huge number of research requests" which are forwarded to the agencies by the companies.

Stressing that the strengthening of the DNPM depends on a political decision of the government, the document declares that the agency's precarious position has created a series of distortions, such as the lack of adequate monitoring of the activities of mining companies, "which often hold on to areas awarded to them without conducting the necessary research in them."

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BRAZIL

SAO PAULO MIGRANT WORKERS STRIKE ENDS, INFILTRATION CHARGED

Strike Ends

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Feb 85 p 10

[Text] The migrant workers of Barretos, Colombia, Jaborandi and Colina decided to end their strike; in a special assembly yesterday evening, they approved the terms of the proposal of intent, signed between their representatives and management representatives, providing for a daily wage of 12,000 cruzeiros, not the 15,000 cruzeiros which they had sought.

Although the workers are returning to work today, this does not mean the end of the strike movement, because the agreement must still be submitted to management for approval.

Scheduled to begin at 2000 hours, the assembly did not start until 2130 hours because of an incident involving workers in the Pimenta district. There was an atmosphere of tension, provoked by the accusations that 800 migrant workers affiliated with the Guaira Rural Workers' Cooperative were being prevented from reporting to work at one farm in the region by another group of workers. According to the cooperative leaders, that group was incited by Joao Flavio Taveira, director of FETAESP [Sao Paulo State Federation of Farm Workers' Unions] and treasurer of the Barretos Rural Workers Union.

The cooperative leaders accuse Taveira of trying to use the strike to close down the cooperative, urging the workers to support the creation of a union in Guaira. "He said the cooperative was the biggest scab and told the cooperative members to tear up their membership cards in the public square," declared a cooperative leader.

Jose de Andrade, president of the cooperative, and Dimas Tadeu Marques Ribeiro, the organization's accountant, said that the 20 trucks which provide daily transportation had been stopped and attacked with stones and axes at the armed roadblocks at the exits of the city. They have already asked Capt Rubens Martins Lopes, commander of the Barretos Military Police, to send police reinforcements to Guaira.

Disgusted with the situation in the city after the migrant workers and proprietors had agreed to a minimum daily wage of 13,500 cruzieros and the workers' strike had ended, the cooperative leaders also went to the local office of the Labor Ministry to ask the ministry to intervene in the case.

They blame Taveira for the "climate of agitation" in the city and report that, during the migrant workers' recent strike, Taveira came in advocating the creation of a union to defend the interests of the Guaira workers.

According to Jose Andrade, the cooperative's work had been going normally, attending to 5,000 cooperative members, when the migrant workers' strike began in the city. Andrade said that, very early one morning, over 1,000 workers decided to attempt to invade his home and protest against the cooperative.

Later, the demonstrators went to the cooperative's headquarters, led by a "group of strangers"; they broke railings and damaged gardens, Jose de Andrade reported.

In an interview, however, Taveira denied his part in the Guaira movement, noting that "it was on the initiative of the workers and it is simply FETAESP's duty to support them."

Investigating Infiltration

Governor Franco Montoro promised yesterday to investigate the accusations by Fabio Talarico, mayor of Guaira, that members of the PCB [Brazilian Communist Party], the PC do B [Communist Party of Brazil], the CUT [Sole Central Union of Workers] and the PT [Workers Party] had infiltrated the rural workers to incite them to reject the agreement reached on Wednesday, establishing the daily wage at 13,500 cruzeros. They want to resume to strike to increase the wage to 15,000 cruzeiros.

According to Montoro, based on the accusations by some rural workers' unions that strangers had gone into the regions of conflict to agitate, a group has been created to study the reasons behind the migrant workers' demonstrations throughout the state, on the advice of Almir Pazzianotto and Michel Temer, secretaries of labor and security, respectively.

Montoro declared that he could not immediately say if there were any foundation to the mayor's accusations, but he promised to investigate the facts and to hold the culprits responsible. "This task force will listen to both sides and ascertain all the facts," the governor reported, adding that Pazzianotto could act as mediator of the conflict in the Barretos region.

In Guaira, Mayor Fabio Talarico--who had claimed that the migrant workers' movement had been infiltrated--assured yesterday that the situation had completely returned to normal in his city. He reiterated that 40 individuals had tried to stir up the workers but that "these individuals went away" when the police were called in. Talarico said that some of them had been detained and photographed in the city police station, but this was not confirmed by Mario Nicolini, who is the sectional police chief of Barretos. He said the police are limiting themselves to keeping an eye on the development of events, although he admitted that individuals from Barretos were involved in the strike.

Strike Expanding

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Jan 85 p 1.

[Article by Luis Carlos Lopes]

[Text] About 70 percent of the 10,000 rural workers of Barretos, Jaborandi, Colina and Colombia yesterday joined the strike demanding a wage increase to 15,000 cruzeiros per day, it was announced by the workers' union in Barretos. In Guaira yesterday, political activists attempted to start a new strike. Meanwhile, the migrant workers of Colina reported for work as usual, since none of the workers in the municipio had taken part in the assembly which voted to launch the movement and they were unaware of their comrades' decision.

In Barretos, Jaborandi and Colombia, the migrant workers organized roadblocks at the boarding points and succeeded in peacefully persuading almost all the workers to join the strike. In Colombia, five trucks were stopped by the workers at one of the boarding points and were not allowed to proceed until FETAESP director Joao Flavio Taveira arrived at the site. The trucks left empty, however, leaving behind the 200 workers who would have been transported to work.

In Barretos, roadblocks were organized at six separate points, including the Faria Lima highway, where the workers managed to stop several trucks which were transporting migrant workers from other regions in the municipio to harvest oranges in that city. One of these trucks was carrying 45 farm workers from Viradouro, who agreed to return to their city, as they said, to "persuade the comrades there to join the strike too."

In Jaborandi, some "scabs" and farm owners managed to pass through the pickets. However, according to the members of the commission in that city, almost none of the migrant workers reported for work. Farm owner Otacilio Carvalho was one of those who was prevented from transporting the transient workers, although he had agreed to pay 15,000 per day to the workers to retrieve 480 sacks of peanuts from one of his trucks, which had overturned in the rural zone. "I was already paying 15,000 cruzeiros," he said, exhibiting the check stubs, "but today they threatened to stone the truck if I tried to pass the roadblocks."

Infiltration

In Guaira, about 40 members of the PCB, PC do B, CUT and PT tried to incite the rural workers to reject the agreement signed the previous evening, granting a 13,500-cruzeiro daily wage, and to resume the strike initiated on Monday to demand 15,000 cruzeiros. Most of the workers decided to return to work, however.

Fabio Talarico, mayor of Guaira, admitted he was alarmed by the "infiltration of these individuals who did not accept the agreement and are trying to stir up the workers." He claimed: "These people are staying at small hotels or in homes on the outskirts of the city and they came to Guaira to infiltrate themselves among the workers."

The police chief of the city denied any knowledge of the infiltrators, saying: "What happened was that there were not enough trucks to transport workers, and this caused a disturbance which was quickly brought under control." However, Joao da Silva, president of the Barretos Rural Workers' Union, confirmed that the picket lines in the city had been infiltrated. "This was an infiltration by agitators," he claimed. He included the CPT (Pastoral Land Commission) in the list of entities interested in upsetting the agreements.

According to Joao da Silva, proof of activity by infiltrators is the convening of the First Meeting of Rural Workers of Barretos. The meeting will take place in the Jardim California community center, near the church of the Bom Jesus, whose pastor coordinates the CPT.

Agreement Not Honored

The rural workers of the Barretos region are demanding a daily wage of 15,000 cruzeiros for [?sugar cane] workers. If the demand is met, it would represent a break with the agreement signed in September between the FAESP [Sao Paulo State Agricultural Federation] and the FETAESP, according to which the wage in effect in January 1985 would be 10,216 cruzeiros in the municipios of Barretos. Although they are demanding 15,000 cruzeiros, the transient workers should accept an agreement based on 13,500 cruzeiros, the rate obtained in Guaira.

According to information from the Barretos Rural Workers' Union, under the terms of the FAESP/FETAESP agreement, the daily wage in the region should be readjusted by 50 percent over the 6,211 cruzeiros paid in September, starting on 15 January.

In the case of Guaira, the agreement was not violated, because in September the daily average wage in effect was 9,000 cruzeiros. The agreement between the workers and proprietors in that city simply complies with the clause calling for a 50-percent increase over that figure, which raised the daily wage to 13,500 cruzeiros.

The union leaders note, however, that the workers of Barreto, Jaborandi, Colina and Colombia are simply reacting to the fact that the proprietors are not honoring the agreement signed in September, which called for payment of 10,216 cruzeiros per day. According to the union, many farm owners are hiring workers at wages as low as 6,800 cruzeiros, taking advantage of the fact that farm work is usually scarce in this season.

Infiltration Discussed

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Jan 85 p 11

[Text] Labor Minister Murillo Macedo admitted yesterday that "there was outside interference" in the migrant workers' movement in the Ribeirao Preto region, but he could not confirm its origin. The evening before, Macedo had received a document from Fabio Mierelles, president of the FAESP, indicating that agents infiltrated by the PT and the Church were active in the movement. However, the minister said yesterday that he had not examined the document yet and promised to study its contents in detail.

Miereller delivered the document to the minister on Wednesday, when he reported on the events in the region. Labor Ministry sources revealed that, in this report, the FAESP president pointed to the infiltration of the migrant workers' movement. Yesterday, stressing that he had not yet read Mierelles' document, the minister observed that this strike movement in the Ribeirao Preto region (Sertaozinho, Guariba, Barrinha and others) was having an extremely negative effect.

"I think it is dangerous," Macedo said, referring to the interference of other sectors in the movement of a less educated class. For this reason, "we are threatened with more serious movements," the minister warned. To reduce tension in the region, Macedo advocates continuing investment in agriculture and a search for solutions to its problems. In the minister's opinion, one solution would be to improve the workers' cooperatives, which could provide the conditions for better transportation, food and remuneration, in addition to giving the workers a better chance of obtaining their labor rights.

Also regarding the Mierelles document, the minister noted that he could not take any action against agents provocateurs simply on the basis of complaints or suppositions. It is known, however, that the document not only names these agents but also warns that they have lost control of the movement, which could make the situation even more serious.

Public prosecutor

Paulo Salvador Frontini, attorney general of Sao Paulo State, has appointed public prosecutor Adolfo Viesi Veloci, of Sertaozinho, to keep abreast of the police investigations in Guariba, Sertaozinho and Cajuri.

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BRAZIL

BRIEFS

POLL REVEALS VALUES CHANGING--The Brazilian citizen of today is a man oriented toward individual expression. His reasons are more subjective than rational. He feels the need to differentiate himself from the group in which he lives and he wants to create new things. His values today are different from those of the economic miracle era, when the most important thing was to compete. These are some of the results revealed by Project Risc, a regular survey of sociocultural trends which enterprises such as Fiat, Phillip Morris, Cica, Shell and others have used to establish the motivations, needs and desires of the consumers of their products. Project Risc, which was established in France 15 years ago, has been in use in Brazil since 1981, under the sponsorship of IPSA-Latin America. According to the project manager, Julio Tannus, "the Risc is a tool for establishing subjective factors and defining what the predominant sociocultural trends are in a given period." The characterization of the consumer of a given product is generally established on the basis of sociodemographic data. But there are other variables with which the usual surveys do not concern themselves. Project Risc obtains this data on the basis of 33 existing sociocultural trends, and then takes a sampling of 2,750 individuals in the metropolitan regions of the country to establish which of these trends is predominating at a given moment. The regularity of the survey (it is annual) establishes the development of these trends, such as to provide the subscribing businesses with marketing planning data. Finally, the project interprets the data obtained and typifies the Brazilian individual, ranging from "out-and-out individualist," whose basic motivation is the search for immediate gratification, to the "social renovator," who rejects the symbols of the consumer society and desires change. According to Tannus, "the project is being successfully used in more than a dozen countries, and in the end serves to extrapolate the clients' interests, since it reflects changes in values and concepts of great depth." [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Jan 85 p 24] 5157

COFFEE CROP INCREASE--The 1985 Brazilian coffee harvest, which will begin in May, should total 28.7 million sacks, a 32-percent growth over the 21.8 million sacks produced in 1984, according to the first survey of the 1985/1986 coffee crop, released in Rio yesterday by the IBC (Brazilian Coffee Institute). Even with the marketing of the new crop, starting in June, the Brazilian coffee situation will be quite tight statistically, favoring the maintenance of high domestic prices, up to 400,000 cruzeiros per sack for export-quality coffee. This is because current stocks held by the IBC and the private sector total 18.8 million sacks, which will be reduced to about 10 million sacks by the beginning of June, since about 8.9 million sacks will have been absorbed by exports and domestic consumption by then. According to the first estimate for the 1985/1986 coffee

crop, based on reports and evaluation of the plantations which are flowering now, Minas Gerais will continue to lead Brazilian production, with 9.4 million sacks, followed by Sao Paulo, with 8 million sacks, Espirito Santo, with 4.7 million sacks, Parana, with 4.2 million sacks, and Bahia, with 1 million sacks; the other producing states should contribute a total of 1.4 million sacks. These are preliminary data, based on a field survey conducted in November and December 1984. Three new surveys are planned for April, August and November 1985, which will provide more precise information regarding the volume to be harvested from the next crop, reflecting, according to the IBC, the condition of the plants, the effects of weather and other conditions during the fruiting and harvesting period. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 Jan 85 p 24] 6362

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CHILE

LUIS CORVALAN ON PCCH PLANS TO END PINOCHET RULE

Sao Paulo VOZ DA UNIDADE in Portuguese 12-18 Jan 85 p 14

[Text of interview with Luis Corvalan, secretary general of the Chilean Communist Party, granted in the GDR and transmitted by Radio Moscow in a special broadcast to Chile, date of interview not specified]

[Text] A group of 21 prominent Chileans of opposition parties, unions and popular organizations, exiled on several continents, recently entered Chilean territory via the border with Argentina.

The initiative was within the framework of the opposition's intent to create new forms of direct participation by the Chilean community in exile, to break the information blockade imposed by the state of seige in effect in the country and to sensitize the Argentine Government and other bodies to the Chilean cause.

Six prior attempts to enter Chile by air were thwarted by the regime, which prevented the Chileans from disembarking on Chilean soil. This time, after yet another frustrated attempt to disembark at the Santiago airport, the exiles opted to gather in the Argentine city of Mendoza. They were all taking part in a plan by the Democratic Chile Organization, headquartered in Argentina, which coordinates committees of solidarity with the Chilean people, organized in 46 countries where there are exile communities.

After remaining in Mendoza from 20 to 27 December, the exiles decided to form a group of 21 members, consisting of the most prominent political and labor leaders. The group boarded a bus on a regular route from Mendoza into Chilean territory. In Chile, a detachment of 120 policemen was waiting for the bus to prevent the exiles from unboarding. This did not deter the leaders, who got off the bus and confronted the police. As a result of this unequal confrontation, many of them were wounded. Even so, the exiles threw themselves to the ground and locked arms. Dumbfounded at this reaction, the police chose to separate them by force, throw them onto trucks and transport them back into Argentine territory. This action almost caused a border clash, because the authorities on the Argentine side were prepared to defend their borders.

Silvio Espinoza Sanches, secretary of the CPUSTAL (Permanent Congress for Latin American Workers' Trade Union Unity) and a member of the group, has been in

Brazil to report on the incident. He considered the exiles' initiative a success, declaring that the proposed objectives had been achieved, even if the exiles failed to remain permanently in Chile. The labor leader announced that similar initiatives were planned for March, to coincide, he said, with a new internal offensive of the popular movement, with a second National Protest Strike planned for this period.

[Following is the interview with Luis Corvalan.]

[Question] How do you assess the current situation in Chile?

[Answer] Chile is a country in upheaval, in whose belly a new state of affairs is germinating.

[Question] Does this mean the fall of Pinochet is near? How will this come about?

[Answer] It is inevitable and will come about in a more or less violent way, depending on the situation in the armed forces, which constitute Pinochet's principal support. In any event, it will be a product of the people's struggle and the combined action of all the opposition forces.

[Question] But this united action is still not fully developed. There is still a problem in achieving it. What do you think about this? What must be done to create a real struggle alternative?

[Answer] First and foremost, it is to unite all the opposition forces in the struggle, to assume an open and nonexclusive attitude. In addition, they must come together in the solution of the various aspects of social life. Although it is not an easy task, it will be accomplished as a result of what has been said before and always taking into account the popular will to find the common denominators.

[Question] Not to mince words, are the communists prepared to unite with the parties of the so-called Right or the bourgeoisie to form a broad front against the dictatorship? If so, on what basis?

[Answer] Yes, in the struggle against the dictatorship we are willing to unite even with the forces on the Right, without excluding any force on the Left and on bases that are acceptable to all.

[Question] Are you prepared to establish long-range commitments?

[Answer] We are prepared, yes, if it is a question of clear, honest and public commitments that favor the development of democracy, meet the needs of the workers and the people and do not impede the process of change.

[Question] The right wing says that the communists promise nothing for the future, that they want to end this dictatorship to create another dictatorship of the Left. What do you say to this?

[Answer] Regarding guarantees, we are not the ones who should be offering them, but receiving them, because, since the creation of our party and throughout our existence, we have been struggling hard for democracy, unlike almost all the other parties, which have embarked on antidemocratic ventures or have compromised at times with governments that have brutally repressed the working class and the communists. On the other hand, we are struggling and will continue to struggle for a regime that will always depend on the will of the majority, so I think it is inappropriate to say that our goal is to establish a dictatorship, considering the current significance of the term.

[Question] Isn't popular revolt a dangerous policy? Could this be the path to the "Salvadorization" of the country?

[Answer] The policy of popular revolt, or continuing and steadfast confrontation with the regime, arose as a necessity of the workers and the most modest class of the population in their struggle against tyranny, which denies them any possibility of demonstration, which subjects them to hunger and poverty, which sows terror and death and which will continue to victimize them until the last instant of the dictatorship; this is the nature of the regime and the obsession of Pinochet. Regarding the possibility of the "Salvadorization" of the country, this will not occur if all the opposition forces join together to put an immediate end to the dictatorship, to carry out the slogan "Democracy Now," endorsed and subscribed to by all the opposition.

[Question] How does the Communist Party see the democracy of the future?

[Answer] We are hoping for the most advanced democratic regime possible, with a broadly representative institutional system, guaranteeing the effective participation of the people, based on a government of the majority, which recognizes and respects political pluralism, administers real justice, completely eliminates torture and other fascist practices, respects human rights, insures the social rights of the workers, furthers basic economic and social change and is open to making the concrete changes required for social development.

[Question] What role should the armed forces play in the future democratic regime?

[Answer] The role which is inherent to them; that is, the defense of national sovereignty. In addition, they should be responsible for whatever is within their competence in various areas of state activity.

[Question] What do you understand by the democratization of the armed forces?

[Answer] Three basic issues: first, the replacement of the doctrine of National Security with a new military doctrine, inspired by democracy and with democratic objectives; second, the purging from its ranks of individuals connected with the violation of human rights, with the destruction of the nation's economic apparatus, with the failure of enterprises which belonged to all the Chileans and with the great evils of the regime; third, the adoption of measures which would insure the admission of all young Chileans with a military vocation into the schools maintained by the institution, up to the highest levels, and equality of civil rights for all members of the armed forces institutions, and not just some of them.

[Question] What do you have to say about the PC policy of privileged alliance with the Socialist Party?

[Answer] We have maintained and will continue to maintain it with most of the Socialists and we conceive it, as we have before, as a factor for the unity of the Left and of all the democratic forces.

[Question] Today, various socialist alternatives are being developed. How do you view this process?

[Answer] If there are various alternatives, as you said, it is a process of dispersion, and with dispersion, no one part will be adequate.

6362

CSO: 3342/97

CHILE

ENDESA INVESTS \$300 MILLION TO MEET ENERGY DEMAND

Santiago EL MERCURIO in Spanish 23 Jan 85 pp C1-C2

[Text] ENDESA [National Electric Power, Inc.] must invest an average of \$200 million to \$300 million per year to maintain the existing electrical service and adapt the potential to the increase in demand. This depends directly on new industries or mining centers.

The past growth of the country has required the installed capacity of power to double approximately every 10 years, according to Pablo Jaramillo, head of planning of ENDESA.

The interconnected system of ENDESA goes from Diego de Almagro--facing Charanal--to Isla Grande de Chiloé and covers a total of 2,100 kilometers. This is equivalent to about 12,000 kilometers of high tension lines, according to background from the head of public relations, Alvaro Lavín.

This system began in 1955 after the construction of the Cipreses Powerplant in the interior of Talca. This permitted the interconnection of existing powerplants.

According to the data obtained, ENDESA's priorities include the Colbun-Machicura hydroelectric complex that will go into operation before next winter and the construction of the Norte Grande Interconnected System, called SING, which will mean an investment of about \$90 million. This initiative will be carried out through an agreement between ENDESA and CODELCO [Copper Corporation].

This will connect the Tarapaca and Antofagasta systems with the Tocopilla-Chuquibambilla system of CODELCO and supply energy to all the mining and industrial centers as well as the cities in regions I and II. It will also lower the costs of the generation of energy through the construction of coal powerplants that generate more power than the existing oil powerplants.

Statistics show that our country will save about \$120 million in foreign currency by replacing oil.

Pablo Jaramillo indicated: "If this project were not carried out, an average of 600,000 tons of oil per year would **have** to be consumed. **Each** ton costs about \$200 so Chile will save \$120 million per year."

Tres Puentes Powerplant

Another ENDESA project is the inauguration next March or April of the Tres Puentes Powerplant that will generate an average of 24,000 kilowatts for Punta Arenas.

The turbine that will be installed there belonged to the enterprise; this has made it possible to reduce costs. Specialized studies have shown that if it were necessary to purchase all the parts, the initiative would require a budget of about \$7 million.

The other initiative it is starting is the Canutillar Powerplant that will be located near Puerto Montt and will begin operations at the end of 1986.

Projects

Asked about planned ENDESA projects once the initiatives mentioned above are implemented, Pablo Jaramillo answered: "There is nothing very definite because the government has to make those decisions."

He stated: "What we are doing is providing all the information so that the government can make the decisions it feels are pertinent, no matter which entity must carry them out. Based on demand and needs, a new powerplant must go into service every 2 years beginning in 1991 to be able to produce the extra energy that will be required."

As to the levels of satisfaction now provided to the consumer and the needs of the country, he stated that we are in good shape, "especially now because we are putting a new powerplant into operation. We are going to be comfortable. About 1989 we will be just right without the risk of shortages."

Interconnected System

When ENDESA was established, there were only 250,000 kilowatts of public power in the country. Now ENDESA alone provides 2.5 million kilowatts. It is also necessary to add the energy generated by other important entities like CHILECTRA [Chilean Electric Company, Ltd.].

Alvaro Lavin pointed out that the implementation of the national interconnected system insured the connection of all generating powerplants and consumption centers, permitting better service for consumers.

7717

CSO: 3348/320

CHILE

TRADE BALANCE REGISTERS 6.6 PERCENT INCREASE

Santiago LA NACION in Spanish 23 Jan 85 p 8

[Text] Chile's overall foreign trade increased 6.6 percent during the period January to November 1984 compared to the same period in 1983. Those operations totaled \$6,630,800,000, according to the Central Bank yesterday. It just published its foreign trade indicators for last November.

Exports reached \$3,386,300,000 which is 4.2 percent less than the \$3,534,700,000 in the previous period. The 30.7-percent increase in agricultural-livestock and sea products and the 3.5-percent increase in industrial products are important. The mining sector went down 13.4 percent as a result of the 14-percent drop in copper prices.

Imports totaled \$3,244,500,000 representing an increase of 20.7 percent compared to the \$2,688,000,000 from the previous period. Those that increased most were capital goods, 61.3 percent, and intermediate goods for production, 17.1 percent. Imports of consumer goods only increased 2.9 percent.

The trade balance reveals a surplus of \$141.8 million in this period. This figure is different from the balance of payments since it does not incorporate the adjustments indicated by the IMF. Exports are FOB--that is, without paying the country--and imports are CIF--that is, with insurance and freight.

The deficit with the ALADI countries increased to \$356.9 million while there is a surplus of \$469.6 million with the EEC, \$186.9 million with the United States and \$77.4 million with Japan.

7717

CSO: 3348/320

CHILE

BOLIVIAN RADIO ON CENSORSHIP, PRISON DEATHS

PY212222 La Paz Radio Illimani Network in Spanish 1700 GMT 21 Feb 85

[Excerpt] The Chilean dictatorship, one of the most [word indistinct] and aggressive, is attacking the country's media. In addition to directly attacking journalists, it is also very severely censoring the media with the intention of trying to demonstrate that a liberal and progressive reality exists in that country.

We have resorted to the press file of (?LAS SEIS AGENCY), which deals with this subject for our audience.

The raid on the Journalists Association of Chile on 7 February 1985 confirms a tendency that the association, in a letter to the Supreme Court, termed as the gagging of the dissemination of thought and ideas by the media.

The raid was carried out in order to confiscate the journalists' bulletin, which is issued by the association, because it did not comply with current legislation, according to the National Social Communications Agency.

In addition, according to the government report, it contained items based on clandestine information with the evident purpose of mainly circulating it abroad, thus endangering public order, the economy, and the security of the country and the government.

The bulletin's 6 February issue denounces the existence of a clandestine cemetery in the Pisagua prison camp. Five bodies have accidentally been found by detainees at the camp. They were evidently murdered. The confiscated bulletin also indicated that some of the bodies had had their hands and feet cut off.

CSO: 3348/407

CHILE

MINING MINISTER SAYS COPPER PRODUCTION WILL NOT BE REDUCED

Santiago LA NACION in Spanish 23 Jan 85 p 9

[Text] The minister of mines, Samuel Lira, reported that CODELCO [Copper Corporation] recorded net profits of \$140 million in 1984 despite the low copper price. Its investments for the current year will reach \$300 million. Lira stated that Chile will not reduce copper production nor has it considered this since it would have negative effects on the country.

He made these statements when asked the reasons for the change in the international price of this red metal in recent days. Yesterday it was quoted at \$0.638 per pound.

Lira explained that there are different variables that normally indicate a rising trend in the price of the metal or a downward trend. He indicated: "I would say that the change is due to the drop in interest rates in the international markets and the drop in copper supplies. It is a price we have not seen for about 6 months."

He pointed out that it is necessary to wait some time to confirm the trend. He recalled that yesterday's price for the red metal was higher than the day before. This "makes us remain optimistic that this price has substance."

The minister revealed that another factor that has influenced this change is the improvement of the economic situation in the United States and the rest of the Western world. This has led to greater production and, therefore, a greater demand for copper. As to the level of copper supplies, he indicated that these have dropped substantially. They total 360,000 tons in both Metal Exchanges which pressures the price upward.

As to the estimated price of \$0.65 for copper in the national budget, he stated that it is "conservative." However, he maintained that it is necessary to consider that the average value for the year is \$0.61 and the average in 1984 was only \$0.62 per pound.

Marketing

The minister announced that representatives of the copper marketing enterprises in CIPEC [Intergovernmental Council of Copper Exporting Countries] will

meet in London on 11 and 12 February to analyze participation in the markets and the sales contracts for copper which are subject to revision. He said: "We hope to achieve good results from this meeting through the contacts made." The meeting was originally planned for 15 January.

Samuel Lira stated that Chile has not considered reducing its copper production. He indicated: "The government is opposed to production cuts because it would not be appropriate for the country. There would be less revenue and it would be difficult to implement and control."

He also reported that CODELCO investments for the current year reach \$300 million. Total copper production in 1984 was 1.3 million tons. He added that the state enterprise is in a good position with net profits of \$140 million despite the drop in the price of the metal.

Last, he stated that mining in general is going very well and generating employment. Purchases of gold and silver by ENAMI [National Mining Federation] have risen 6 percent and 19 percent, respectively.

7717

CSO: 3348/320

CHILE

BRIEFS

SITUATION OF EXILED, BANISHED--(Sergio Buscovic), president of the Chilean Popular Democratic Movement in Valparaiso and former mayor of that Chilean port city, has been imprisoned along with 10 other people in a remote border military post, the Vicariate of Solidarity has charged in Santiago. A writ of habeas corpus, filed by that organization of the Santiago Archbishopric in the Court of Appeals, asserts that the location of that prisoners' camp violates provisions established by the regime in connection with those who are banned, as they should be interned in some public detention place rather than in a military post surrounded by wire, where civilians are not allowed. Also in Santiago, [name indistinct], (?representative) in Chile of the UN High Commissioner for Refugees [UNHCR] has reiterated her concern over the thousands of Chileans who are forced to live in exile. The UNHCR official met with Ricardo Garcia, the military regime's interior minister, and requested that all Chileans not included on a list of 15,000 exiles whom the dictatorship does not allow to return, be allowed to return to Chile without problem. [Text] [Havana International Service in Spanish 1800 GMT 25 Feb 85 PA]

RIGHTS COMMISSION MEMBERS IN ROME--The Chilean Human Rights Commission has charged that approximately 15,000 people have been arrested, hundreds tortured, and a similar number deported to remote places since the regime of General Augusto Pinochet instated the state of siege in Chile in November 1984. Jaime Castillo and Maximo Pacheco, president and vice president of the Chilean Human Rights Commission, respectively, reported this at a meeting in Rome with their Italian colleagues. Castillo and Pacheco went to Italy to participate in the "Chile, Crisis of the Political System and Transition to Democracy" International Congress, to be held in Florence on Monday. [Excerpt] [Havana International Service in Spanish 1800 GMT 24 Feb 85 PA]

NEW DIVISION COMMANDER--Major General Jaime Hernandez Lopez has been named commander of the 4th Army Division in a ceremony held at the Plaza de Armas of the Serviez Airborne Battalion. He replaces Major General Luis Enrique Rodriguez Botiva. [Summary] [Bogota EL TIEMPO in Spanish 16 Feb 85 PA]

CHILEAN AMBASSADOR TO PAKISTAN--The new Chilean ambassador to Pakistan, Kurt von Hagen Schleiden, has presented his credentials to the Pakistani president. [Summary] [Santiago LA TERCERA DE LA HORA in Spanish 31 Jan 85 p 14 PY]

FOREIGN TRADE RELATIONS DIRECTOR--Engineer Guillermo Pablo Alejandro Lunecke Baunming has taken over the post of director of trade relations of the Foreign Affairs Ministry. [Excerpt] [Santiago EL MERCURIO in Spanish 7 Feb 85 p C3 PY]

1984 TRADE BALANCE--Foreign trade in 1984 grew by 4.9 percent. The Central Bank operations directorate has stated that trade exchange in 1984 totaled \$7,137,000,000. Thus, the trade surplus totaled \$176 million. [figures as heard] [Excerpts] [Santiago Domestic Service in Spanish 2200 GMT 26 Feb 85 PY]

INCOMMUNICADO STATUS REMOVED--The court of appeals in Santiago has ordered that the status of incommunicado be removed from 10 members of the opposition imprisoned by military authorities in the remote village of Conchi, located 1,600 km north from Santiago. The order was issued to honor a request filed by relatives of those imprisoned. The relatives reported that the prisoners are being held in a camp surrounded by barbed wire located more than 3,000 meters high up in the Andes mountains, and that they are being subjected to strict discipline and military vigilance. The prisoners include former Valparaiso Mayor Sergio Vuskovic and Gonzalo Robin, vice president of the Chile university student federation. According to other reports, Fanny Pollarolo, leader of the outlawed Chilean People's Democratic Movement, has returned to Santiago after completing 90 days of banishment in a remote location in southern Chile. [Text] [Havana International Service in Spanish 1600 GMT 27 Feb 85]

CSO: 3348/438

COLOMBIA

PRIVATE CITIZENS AID FINANCIALLY STRAPPED ARMED FORCES

Bogota EL SIGLO in Spanish 9 Jan 85 p 3

[Article by Alberto Giraldo]

[Text] This story is worthy of a mention in the Guinness Book of Records.

The Army is in such a strapped financial situation that a group of industrial leaders in El Valle have set up a committee to provide financial aid to the Armed Forces.

Budget cuts have reached such proportions that the procurement of provisions has already suffered.

Three years ago, for instance, the battalion commanders in the various Colombian regions were paying cash for the purchases of food for the troops. By doing this, they contributed to the economic development of the region. But now they are buying on credit which increases the cost of the food by 15 percent and even by 20 percent. In many cases they have no money to buy gasoline and must depend on public solidarity.

In Manizales, for example, wealthy local citizens held a meeting last November and collected contributions to pay for repairs on police cars. At the time the only car in running order was the car of the police chief.

In Valle del Cauca, quite a few companies have decided to donate part of their profits as financial aid to the Armed Forces.

Transport companies are providing gasoline for police vehicles.

In Bogota, transport companies have adopted the same policy to help keep the Volskwagen patrol cars on the road since their fuel allocation is only 6 gallons per week.

The army is facing a strange situation. Three years ago it had an allocation of 100 bullets per soldier for firing range practice, but excessive budget cuts have resulted in the present situation where each soldier is issued six bullets for firing practice.

COLOMBIA

IMPORT OF RAW MATERIALS, SPARE PARTS FACILITATED

Bogota EL TIEMPO in Spanish 9 Jan 85 p 9-A

[Text] Ivan Duque Escobar, minister of development, has stated that a more flexible policy will be applied to imports of raw materials, capital goods and other commodities of vital importance for our national economy inasmuch as developments in the foreign sector make it possible.

The conditions under which greater facilities will be given for the purchase of this type of goods from abroad will require the strengthening of our foreign reserves, new foreign credits and, therefore, a better supply of foreign exchange.

In a statement to the press, the minister said that the policy for the current year is to continue giving priority to the approval of import licenses for raw materials, capital goods and intermediate goods such as spare parts to ensure the normal operation of the production system partly supplied by foreign components.

The 1985 budget or program for imports is similar to last year's, that is to say, \$3.3 billion a year and \$250 million as a monthly quota.

The Foreign Trade Executive Council intends to adjust that budget at the end of the first quarter of the current year according to the foreign reserve situation in the country.

If the supplies go up, the monthly quotas will be increased, otherwise they will be cut back.

Something which the government hopes will become a reality in the coming months is the approval of a \$300 million foreign credit currently being negotiated with the World Bank. These funds will make it possible to import the raw materials required to manufacture export goods and will ease off the needs in that sphere.

Minister Duque Escobar said that for the time being priority will be given to the requests dealing with raw materials required, among others, by the pharmaceutical industry which claims to be having problems as a result of the existing restrictions.

8796

CSO: 3348/281

COLOMBIA

BRIEFS

PROBLEMS IN ELECTRICITY SECTOR--Public sector companies and institutions, in all spheres of the administration, owe \$8 billion to the national electricity sector. This was disclosed by the Colombian Electrical Power Institute, ICEL, in a report dealing with the serious financial situation facing Colombia's electrical power companies. The ICEL indicates that the causes of the financial problems which that sector is having are, besides the large unpaid bills of the official sector, the lack of budget allocations to repay its loans and carry out construction work; the loss of electrical power, in some cases as much as 42 percent of the total amount of power generated, due to failures in the distribution grid and to the illegal use of the service; the high devaluation rate which has increased the burden of servicing the external debt. The ICEL also announced that drastic corrective measures will be adopted such as the requisitioning of several regional electrical power companies and the dismissal of a number of public employees working in these companies. [Text] [Bogota EL SIGLO in Spanish 8 Jan 85 p 1] 8796

HUGE GOLD DEPOSIT DISCOVERED--Alvaro Leyva Duran, the minister of mines, has announced the discovery of a huge gold mine in the commissary of Guainia, on the border between Colombia and Brazil, which is being mined by the indigenous population with rudimentary methods. INGEOMINAS [Geological-Mining Research Institute] will receive budget allocations of more than 20 million pesos to continue the technical studies which have been in progress for some time on the alluvial gold deposits which could turn out to be among the most important in the world. The deposit is located 10 kms from the town of Campo Alegre in Guainia. The exploration work carried out by INGEOMINAS covers an area of 48,000 square kms in the commissary of Guainia where placer or vein deposits of gold are believed to exist. This year the Ministry of Mines will place special emphasis on this area of activity. A statute on the mining of gold will be enacted in the near future. [Excerpts] [Bogota EL TIEMPO in Spanish 3 Jan 85 p 6-A] 8796

NEW SHIP FOR MERCHANT FLEET--The Grancolombiana Merchant Fleet has announced a new addition to its maritime transport fleet, the ship "Almirante Jose Padilla," scheduled to arrive next Sunday in the port of San Andres. The new motor ship is fitted with the most modern navigation and communications equipment, radars to prevent collisions, instruments for navigation by satellite and instruments, allowing great versatility of maneuver. The ship

was given the name of Almirante Padilla in honor of the Colombian naval hero. When it docks in San Andres, the ship will be officially registered in a special ceremony which will be attended by regional authorities, members of the National Navy and officials of the shipping company. The ship was built by the Lenin Shipyards in Gdansk, Poland, where it was handed over to representatives of the merchant fleet in November of last year. It is 158 meters long, has a draft of 9.75 meters, displaces 16,000 dead-weight tons and can carry 20,000 cubic meters of dry cargo, 4,800 cubic meters of refrigerated cargo and 427 containers. It has a speed of 16.5 knots. The ship is carrying a cargo of 6,000 tons of machinery, pipes, paper and tractors from Germany, Belgium, Holland, Finland and England to the ports of Santa Marta, Barranquilla, Cartagena and Buenaventura. Top officials of the fleet point out that with the newly purchased equipments the company has become one of the most modern in Latin America. [Text]
[Bogota EL TIEMPO in Spanish 9 Jan 85 p 6-A] 8796

PRESIDENCY SECRETARY GENERAL--Lilian Suarez Melo was appointed secretary general of the presidency yesterday replacing Alfonso Ospina Ospina.
[Summary] [Bogota EL SIGLO in Spanish 22 Feb 85 p 1 PA]

CSO: 3348/436

COSTA RICA

BRIEFS

NEW SECURITY OFFICIALS--Public Security Minister Benjamin Piza has announced the appointment of Captain Guillermo Molina as new deputy director of the Intelligence and Security Directorate (DIS). Captain Molina replaces Col Rodolfo Jimenez, who will return to his previous position at the Judicial Investigation Agency (OIJ). [Excerpt] [San Jose LA REPUBLICA in Spanish 8 Feb 85 p 6 PA]

PPC MEETING WITH SPANISH COMMUNISTS--A delegation of the Costa Rican People's Party, PPC, which was made up of political commission members Jose Merino, Cesar Solano and Patricia Mora, has met with Spanish Communists in Madrid. They agreed to strengthen friendship ties as well as solidarity and fraternal cooperation between the PPC and the PCE [Spanish Communist Party]. [Summary] [San Jose LIBERTAD in Spanish 8-14 Feb 85 p 2 PA]

YOUTH GROUP BY-PASSING MOSCOW FESTIVAL--Costa Rica's Social Christian Youth has officially rejected an invitation from the organizing committee of the 12th World Festival of Youth and Students and will not participate directly or indirectly in this event, which is to be held in Moscow from 27 July to 3 August this year. The Social Christian Youth's National Executive Committee has taken advantage of this occasion to urge the democratic youth of Costa Rica and the rest of the world to join them in fully identifying with the concepts of freedom, social justice, and peace and to express solidarity with this position by not participating either directly or indirectly in the activities associated with this event. [Text] [San Jose LA PRENSA LIBRE in Spanish 31 Jan 85]

CSO: 3248/244

CUBA

AVAILABILITY, PRICING, DISTRIBUTION OF CONSUMER GOODS EXPLAINED

Havana CUBA INTERNACIONAL in Spanish Dec 84 pp 28-33

[Interview with Manuel Vila Sosa, minister of domestic trade, by Jesus Abascal Lopez; date and place not specified; passages enclosed in slantlines printed in italics]

[Text] After the triumph of the revolution in Cuba, mercantile distribution--of food products as well as industrial articles--has been the frequent target of criticism. Under Cuba's specific conditions as a small underdeveloped country in the Caribbean that in 1959 carried out a real revolution right under the nose of U.S. imperialism, that work has been especially complicated. When the powerful neighbor decided to implement a rigid, blatant economic blockade around the so-called Island of Freedom, shortages became even more evident. It was necessary to distribute what was available /with the greatest equity possible/ based on a humanist and democratic principle. As a result of that hostile and aggressive policy against Cuba, the Cuban Government was forced to take measures. One was to ration articles of prime necessity. This led to the ration book for /regulated/ food products and a ration book for /regulated/ industrial articles (clothing, shoes, etc.). CUBA INTERNACIONAL published an article in a recent issue (September 1984) that tried to clear up some aspects of this subject. Now with the same intention, we have gone to the Cuban minister of domestic trade himself, Manuel Vila Sosa, to gather firsthand information on the Cuban standard of living, current consumption and mercantile distribution.

In our talk, the minister not only referred to the achievements of his sector but also to treatment of some negative phenomena that had occurred some time ago in the mercantile distribution network: cronyism, leaks, mistakes, rudeness to the public, liberality, waste, laxity and laziness. He indicated that /it is necessary to give special attention from the political point of view to domestic trade, as much or more than any other economic sector in the country/.

He added: /Perhaps some day we will discuss these topics more thoroughly because I believe they must serve as experience for our future as well as for other peoples who also make revolutions under conditions similar to ours/.

The Cuban minister of domestic trade is a relatively young man, totally identified with the problems of mercantile distribution in the country. He has

a sense of humor which makes it immediately possible to talk candidly with him.

[Question] It would be good if you first referred to trade in Cuba before the triumph of the revolution....

[Answer] I am not going to reveal anything that you do not know already. Domestic trade had a colonial infrastructure based on private ownership by small merchants--mainly Spanish, Jewish and Chinese in addition to native owners, naturally. However beginning in the 1940's, U.S. businessmen began to invest in trade and set up more functional, modern and promotional retail trade chains in the capital such as EKLO, Woolworth, Minimax and Sears Roebuck. Since the main suppliers of the Cuban market were wholesale businessmen from the United States who sent their merchandise to our country in only 45 minutes by air or about 4 hours by sea, there were no large warehouses or refrigerated storage areas to preserve food products in Cuba. Cuba depended on an almost daily or weekly supply so it did not need larger installations. For that reason, when the criminal imperialist economic blockade against Cuba began, it was necessary to replace those sources of supplies with others more than 9,000 kilometers away. Consequently, it was necessary to bring in larger volumes of merchandise which aggravated storage problems throughout the country and considerably worsened the distribution problem. Even several years after the triumph of the revolution, retail trade in Cuba was mostly in private hands with the exception of some necessary interventions in 1959. Before that year, the state did not intervene directly in trade.

[Question] And after?

[Answer] At the triumph of the revolution, immediately after monopolizing foreign trade in our country, there was a decision to nationalize--and in some cases intervene in--the entire structure of wholesale merchants, large stores, main warehouses, refrigerated storage areas and U.S. chains. The retail trade system was left in the hands of the small private merchants. For almost a decade, our people worked hard and faced constant aggression from the imperialist enemy. The counterrevolution did not let up from outside or inside. One of the sources for internal counterrevolution was precisely the retail trade sector which it used both to sabotage the state rationing system as well as to finance criminal activities. It also made a decisive contribution to the development of the black market. This situation of struggle and confrontation ended in 1968 with the revolutionary offensive. The rest of the retail trade sector as well as services in the country were intervened. As you will recall, that step created a new and complex situation. The conditions were not right for assimilating that entire sector. Imagine what it meant to intervene in more than 30,000 private commercial establishments without having those 30,000 revolutionary administrators trained for that activity. Despite party support for the entire intervention operation, it was very difficult at the beginning. Since the Ministry of Domestic Trade had a very simple organizational structure, improvisation in handling that exceptional but politically necessary situation led to confusion and disorder during this initial stage. We remember what that measure meant with the problems of economic development of the country, agriculture and industry, with few material resources and

during the most brutal stage of the imperialist blockade. Those few resources, efforts and men had to be deflected to guarantee the defense of the country, constantly threatened and attacked by our enemies only 90 miles from our coasts.

[Question] To work, hold guard duty as a militiaman, mobilize frequently....

[Answer] Exactly. During those difficult years, it was necessary to adopt measures that were almost extreme in order to guarantee the people the indispensable consumption of food products and industrial articles necessary for daily life--clothing, shoes, medicine, etc. A total of 300 articles were rationed, ranging from a pin to a refrigerator. Almost everything was regulated. Remember the showcases of the trade establishments, the clothing stores? They did not advertise their merchandise. Mannequins disappeared. There were only large posters with revolutionary slogans. The trade profile of the large cities practically vanished in a few years. Countless commercial buildings were used for other objectives due to a lack of merchandise. In short, it was necessary to live through that period in order to understand the evolution and development of domestic trade in our country with all its complexities and angles. I don't know if the foreign reader of your magazine, with so little information, can understand the real extent and political scope of the struggle fought in this very important economic sector of undeniable social importance.

[Question] What happened in domestic trade after the interventions and the revolutionary offensive?

[Answer] At the beginning of the 1970's, our country passed some measures on internal economic organization and obtained some advantages. A number of industrial projects began to mature, agriculture developed, the sugar harvest reached impressive figures and the country was receiving really good dividends for all those investments it had made with the support of the advantageous pacts signed with socialist countries, especially the USSR. The sacrifices of the working people began to yield fruit. The rise in the international price of sugar meant that in 1972, 1973 and 1974 an investment process developed on one side with financial recovery on the other. We went from an extremely rigid and restricted rationing system implemented in 1962 to an accelerated process to make food products and industrial articles available. It was necessary to immediately market and distribute them to the people. Again we ran up against reality. Our infrastructure was inadequate for such an abrupt change desired by the people. It might be necessary to add a very specific internal aspect; there was an excess of circulating currency and a shortage of available merchandise to compensate for it. The production and productivity levels were still below popular demand during those years....

[Question] I think some day a book can be written on this subject.

[Answer] Domestic trade is very complex, especially under our conditions. Imagine a game of chess with its infinite variations and combinations. You have the white chessmen but you must wait for your opponent's move for each operational strategy....

[Question] More than a chess game, this situation is like a simultaneous match against 50 opponents....

[Answer] More or less. The situation became more difficult in this sector beginning in 1982, a reflection of the international economic situation and the internal social situation. In 1981 circulating currency increased, absenteeism grew and the black market became aggressive. With the creation of the so-called Peasant Open Market and some administration measures, productivity was affected and there was laxity in some service sectors. That made us decide to correct some organizational focuses, change the personnel in the domestic trade sector, take measures to improve economic controls, carefully exercise state supervision and inspection and boldly and aggressively introduce the parallel market....

[Question] What is the parallel market and what importance did it have in mercantile trade in 1983, for example?

[Answer] It has been said that the "parallel" market is a formula applied by socialist countries to end wartime rationing without affecting the lower-income families. It is nothing more and nothing less. Some industrial and food products are sold on that market at higher prices than regulated or on the open market--another mercantile category--at really popular prices. This retail sale system, the parallel market, provides the opportunity for additional consumption, extra consumption of industrial articles or food products. In some cases, these are different assortments than distributed by the usual means--regulated or on the open market. This is one of the ways chosen to gradually end rationing in our country. Now, who can buy on the parallel market? Everyone can buy although those families with higher income or simply those who manage their budget better and know how to save have more opportunities more often. That means that the people--after satisfying their basic food needs and buying clothing, shoes and other basic products for daily living--can buy imported or national articles of better quality on that parallel market at higher prices based on the demand for those articles. Also we must be equally dialectic about the fact that it was necessary to positively respond to our people's needs. The Cuban people have enough political awareness to understand the national economic situation, also a consequence of the economic disaster in the capitalist world. At the beginning, the parallel market brought complaints because of the high prices. It was just a question of time. The people began to understand the international economic uncertainty and realize that nowhere on this planet except here did a pair of shoes still cost 10 pesos. It is necessary to make them understand that nowhere else in the world does a pound of rice cost 24 centavos, is a pound of meat or chicken sold at 70 centavos, does urban public transportation cost 5 centavos or are basic services--education and health--free but in Cuba. All this requires additional revenue to develop. Therefore, the existence of the parallel market was accepted. This also permitted the people to meet additional needs without having to resort to the black market. So jeans were sold on the black market for 120 pesos? Fine. Our stores imported--and continue to--jeans of various brands and they are sold at 120 pesos also, without any more technical justification than reality imposes. Understand? Now we have 547 establishments where food products are sold on the parallel market and 89

units to sell industrial articles: clothing, shoes, electrical appliances, etc.

[Question] These are what the Cuban people, with their characteristic good humor, call "stores for millionaires" compared to the prices on the traditional market....

[Answer] Exactly. But these "stores for millionaires" are always filled with buyers, an indication of the purchasing power. In several of them, there are permanent "lines" where hundreds of thousands of people parade in a constant, never-ending flow. It is the same the whole month long. The "stores for millionaires" are still not completely stocked! It should be pointed out that there is also another market with 15 stores in the capital where clothing, shoes, hardware, etc., are sold. Perhaps some of them are out of style or in less demand. These are at really ridiculous prices: shirts for 99 centavos, shoes for 2.95 pesos and pants for 4.99 pesos. Therefore, there are articles for all purses, all incomes. Let us return to your question....

[Question] The participation of the parallel market in mercantile trade in 1983....

[Answer] It was a little more than 10 percent. This year it should approach 15 percent which is an extremely significant figure. Remember that Cuban industry--light industry and consumer goods--sprang from nothing or almost nothing. It was necessary to quickly seek solutions to the most elemental and pressing problems of life. The objective was to give a little of everything to each inhabitant equally. The factors of diversification of quality were ignored to temporarily concentrate on the necessary quantity.

[Question] What about consumption and the standard of living?

[Answer] The problems of the standard of living of the people are closely tied to the work of the Ministry of Domestic Trade as a state organization, independent of other elements like the net wage and the factors of education, public health, hospital care, culture, sports and recreation. These services are mostly free and must be considered additional indirect wages since the people benefit from them. Before the triumph of the revolution, there were only 18 refrigerators for every 100 housing units with electricity; in 1983 there were 63. In 1958 there were 6 televisions for every 100 homes; in 1983 that had increased to 79. The number of radios can also be compared: there were 49 radios for every 100 homes before the triumph of the revolution and 135 radios for every 100 housing units in 1983. There are no statistics on electric mixers and irons before 1959. In 1983 there were 33 mixers and 86 irons for every 100 homes as well as 55 sewing machines, 54 air conditioners and 34 washing machines. The real wage of the Cuban increased about 44 percent in the last 10 years. It was 931 pesos per year per inhabitant (793 for work and 138 for social benefits) in 1984. Therefore, the average annual growth is about 9.7 percent. In 1982 there were 2.8 million active workers. We will end 1984 with 3.1 million workers and it is estimated that we will reach 3.6 million by 1990. I want you to note those figures because they can give your readers an indication of the situation. For example, according to

data from the World Health Organization, the level of per-capita consumption of calories was 2,500 in Cuba in 1950. That rose to 2,880 calories in 1982. The consumption of proteins also rose from 56.6 grams per day to 76 grams per day. Personal wardrobes reached 24 square meters per inhabitant in 1974 and had risen to 85 square meters by 1982. I can even give you more data on the 1983 per-capita consumption of staple foods: 113 kg of cereals, 56 kg of sugar, 12.5 kg of beans and grains, 33.4 kg of meat, 16 kg of fish and seafood, 156 kg of milk and dairy products, 18 kg of fats, 82 kg of vegetables, 66 kg of fruits, 65 kg of produce and 241 eggs. Is that enough? Finally, we must admit that we are very aware of the complexity of the problems we have in the Ministry of Domestic Trade. We are working hard to overcome the many difficulties. The day when we are satisfied with our work will be an unmistakable signal that it is necessary to "kick us out" of here....We work to serve the people. The ideological nature of this work demands dedication, effort, sacrifice...and optimism.

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CS0: 3248/221

CUBA

WESTERN REGION SHORT ON ELECTRIC POWER RESERVES

Havana GRANMA in Spanish 3 Dec 84 p 2

[Article by Joaquin Oramas]

[Text] The national electric power system is at the beginning of a period when the demand for electricity is increasing, a stage that will last through the first 4 months of next year.

This is not an unusual situation for us but the repetition of a cycle in the electrical network that is seen annually. Last October the normal schedule was reestablished in the country. As the winter season begins, progressive increases in the consumption of electricity are recorded. This occurs because the amount of sunlight decreases and the sugar harvest, with the operation of related mills and installations, begins. (The sugar mills are among the largest consumers of electricity in the country.)

After April when the harvest is over, the summer schedule goes into effect and spring and summer arrive with more hours of sunlight each day, the demand for electricity decreases.

Although these are repeating cycles, there are always increases compared to the levels in the previous year. This is natural because the country is developing its industrial, agricultural and livestock branches. Living conditions improve. New study centers, cultural and recreational centers appear. Thousands of new housing units are completed. The electrical network must respond to these improvements, reinforcing capacity in the plants and in the transmission and distribution lines to meet the demands of development.

This year there is a situation that should be pointed out. In 1984 two generators started up: one for 100 megawatts, the last of six at the Antonio Maceo thermoelectric powerplant in Santiago de Cuba; and another for 125 megawatts in the Diez de Octubre powerplant in Nuevitas.

Those units increase the power in the system in the eastern provinces of the country. However, this is not true in the west where new generators will not go into service until the end of 1985. That is when the builders propose to finish construction and assembly of the first 100-megawatt unit of the thermoelectric powerplant in Este de La Habana and the 330-megawatt one that is being constructed near the city of Matanzas.

As can be inferred, power reserves will be lower in western Cuba so there is the possibility that the imbalance of power in the system will be accentuated and blackouts could occur.

Following their combative tradition, the builders propose to make extraordinary efforts so that both generators can be synchronized in December 1985. However, it is necessary to reinforce measures for rational use and conservation of electricity to alleviate any shortages in the electrical network, particularly during peak hours.

It is worthwhile to emphasize that we must all add our grain of sand to this effort. Obviously, the state consumers that use 70 percent of the electricity that the powerplants provide have the greatest responsibility. The factories, shops and production and service centers in general--especially the large consumers--can have a decisive influence on the decrease in peak demand that has reached very high levels this year.

They also have the conditions (by reducing the demand) to limit the increase in the need for electricity estimated at approximately 1.4 percent for the electric powerplants that the Ministry of Basic Industries operates for 1984. It now averages almost 10 percent.

These are aspects of the problem that must be known by everyone. Any problem in electrical service can directly or indirectly hurt the state, residential and private consumers. The worker collectives in entities that do not carry out or update and apply the power adjustment studies must conquer these problems.

Power adjustment--it is necessary to repeat--is one of the main technical measures to decrease peak demand for electricity and helps alleviate the generation shortage during peak hours. Its application is nothing other than the transfer of the use of power to times when the demand for that energy is lower. Investments are not needed, just adjustments in the use of certain equipment and better organization of production or services.

However, despite the guidelines and appeals that have been made, there are still more than 600 services of the 2,665 selected that have not presented power adjustment studies. It is not the intention now to list all the work centers, organisms and territories that have not. However, it is necessary to cite the low rate of presentation and approval of those technical studies in the provinces of Las Tunas, 14.7 percent, and Holguin, 36.5 percent.

We note this because the lack of compliance with the power adjustment measures does not correspond to the heroic efforts made daily in factories, shops, cane areas, service centers and other state offices.

The topic of power adjustment was covered in all the municipal and provincial plenaries held recently to analyze the energy situation. This was a preliminary step for the First National Forum on Energy.

There is agreement that a technical solution that can be applied in any center, especially those that use the most electricity, is necessary. However, materialization is slow and unsteady. Could it be, perhaps, because there is no legal means, tied to the task of convincing management of the need to apply this measure of technical discipline, to penalize those who do not comply?

7717

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CUBA

POPULACE ENCOURAGED TO SELL SILVER; PRICES RAISED

Havana GRANMA in Spanish 10 Dec 84 p 7

[Article by Jose M. Norriella]

[Text] The state's purchase price for silver that the people sell rose to 18 centavos per gram. From now on, it will be based on the price on the world market with quarterly adjustments.

Recovery of precious metals, particularly silver, is a very important economic task. Silver is one of the metals used to back currency--in our case the Cuban peso, foreign trade and credits granted to us.

One of the functions of the National Bank of Cuba is to recover precious metals in order to convert them into bars of gold, silver, platinum, palladium, etc., or keep them in the state collection if they have numismatic or artistic value.

The most common form of silver recovery is through the people's sale of coins. These coins do not have any value as currency in Cuba either because they were demonetized or because they are from other countries. Almost all have a high proportion of refined metal. The standard is almost always 0.900. (If the gross weight of the coin is 10 grams, it contains 9 grams of pure metal.)

Before the victory of the revolution, six different coins with high silver content circulated in Cuba. They were demonetized about 1961 or 1962. They are no longer used as currency but their face value has quadrupled due to their silver content and the current price of this metal on the market. For example, an old 40-centavo coin weighs 10 grams and contains 9 grams of refined metal. At 18 centavos per gram, its value increases to 1 peso and 62 centavos.

For the benefit of those interested, we have listed below the denomination (face value) of the old coins and their content in grams of refined silver.

Another form of silver recovery is the sale to the state of jewelry and gold or silver articles. The silver content in film (negatives for slides or photographs) is an important source. All the silver in the film that was sensitized remains in the developing liquid. The rest is in the negatives.

The Ministry of Public Health is responsible for this type of silver recovery throughout its health care network.

<u>Denomination in Pesos</u>	<u>Silver in Grams</u>
0.10	2.25
0.20	4.50
0.25	5.625
0.40	9.0
0.50	11.25
1.00	24.05656

Until a very short time ago, wholesale prices remained in effect for silver which discouraged this recovery. It was bought from the people at a price much higher than it could be sold to the entity responsible for recovery. That situation has already been satisfactorily resolved for the enterprises that now must work harder to try to fulfill the silver recovery plan for this year. It is a little behind precisely because of that economic problem.

Specialized stores to appraise and buy objects of gold, silver and other precious metals, coins and jewelry from the people do not operate in all the provinces. If the local people's government organs do not resolve this, the people will go to other provinces to sell those articles. Therefore, the cash plan for that territory will lose.

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CUBA

UPGRADING OF TOURIST INDUSTRY SEEN AS VITAL TO ECONOMY

Havana BOHEMIA in Spanish No 49, 7 Dec 84 pp 60-61

[Article by Alberto Pozo]

[Text] The Sixth Scientific Session of the National Institute of Tourism (INTUR) was held under the stimulating pressure of the need to work toward making this body into a second source of foreign exchange for the country in the 5-year period between 1986 and 1990.

Although it began and ended on the same day, 30 November, it is certain that the men and women who participated in the session continued in practice, after the formal meeting was ended, as if that working session were still in progress, for they are looking for every last resource, material or spiritual, with a view to doubling the foreign exchange they contribute to the country by the end of the 5-year period.

All of this is the direct consequence of the urgent appeal made to them at the closing session by the president of the INTUR, Jose Luis Padron. "We need every last suggestion. We need the aid of all in order to achieve this goal."

Although this was not stated explicitly, an obvious economic fact underlies this need: the continuing decline in sugar prices on the world market. Although the proverb to the effect that "every evil results in some good" is not appropriate in this case, because this is a conformist thought which is essentially false, what is indeed resulting as a priority principle and activity in our economy is encouragement of exports across the whole range of what we can produce.

Exports do not serve solely to obtain foreign exchange with which to meet the needs of our country, since we depend to the extent of approximately 13 percent on capitalist trade to obtain equipment and replacement parts for the factories the country has in this sector. It is also true that we cannot fail to make use of the development of exports in those lines where there is a single technology or one superior to that in the socialist camp.

But apart from these aspects, exports represent a tool for diversifying development, and therefore for strengthening and expanding the foundations of the economy. In relation to man specifically and society in general, this means raising the standard of living.

And although tourism does not appear to be a classic export, it essentially serves the same purpose--to bring in resources for the country. Put in another way, we "export" the delights of our territory, our beaches, our flora and fauna, our climate and our ecology. And much more: we demonstrate the virtues of our society, because a large part of the tourists come to our coasts drawn by a desire to understand this social phenomenon. And then, when they bid us farewell, they say, as did Rubens De Falco (Leoncio): "You can demonstrate the most precious thing won by man--freedom."

The session was held in the premises of a symbol of tourism, the Hotel Nacional, which is that most eagerly sought by visitors. This is because its image is world-famous because of its traditions and unique surroundings, because of the scenery including city and sea, because of the combination of the ancient, the castle on the bluff, with the growth of the city, the sea wall, the tall buildings, the symbol of modernity and the thrust of time. Havana in all its beauty!

We should not be surprised that one of the reports had to do with safeguarding the immediate surroundings of the building. It is sad that this jewel of the plateresque art should be the victim of bad taste in the details when they require repair. One example is the small fact that in one bathroom, the traditional urinals were replaced by a standard one identical to those installed in the seasonal camps during any agricultural campaign, although it was covered with white tile.

And it should not be thought that we are going from the sublime to the ridiculous with this small but delicate example. No. It is precisely the details, because of their seeming lack of importance, which allow one to establish if sensitivity has been shown in a task or not. And let no one argue that these urinals date back to the 1930s and can no longer be obtained. That may be very true. But what can indeed be done now is to replace them with others of a degree of refinement which would not clash with this monument, which in fact is a national legacy, although there has been no resolution to declare it such.

On the other hand, this reference to these changes made in a bathroom (adjacent to the cafeteria and the pool) seems to us an indicative example of what Padron meant when he criticized the low quality of tourist services. "We must all make an effort. And those who do not succeed, who do not measure up to the goals we are seeking, will have to be replaced. We cannot sacrifice development nor hinder this source of foreign exchange for the country. Let us not deceive ourselves by giving prizes, saying that all is well, or making assessments which fall below the international level. Let us deceive ourselves no more.... And those we cannot deceive, moreover, are the tourists! Padron also indicated that there may be shortages of resources, but that the basic deficit is to be found in subjective shortcomings. Certain figures are irrefutable. Countries which offer high-quality tourist service have 0.3 workers per bed, whereas we have two. Generally speaking, where two workers are employed in countries known for quality tourist services, we need 8. Naturally, change is not easy. Many factors exert an influence, but it will be necessary to seek methods of improving efficiency. The country needs this.

Pleased by the high quality of the reports submitted, Padron addressed this group with an appeal for participation in the direct work of leadership, in order to give administrative management a new direction. In the coming years, thanks to new construction, the country will have about 4,000 new housing units, while at the same time a similar number will be renovated.

Despite the blockade, despite all the slander campaigns against Cuba, despite the inadequacy of our tourist services, more and more tourists want to visit our country with every passing day, more and more men and women want to come to Cuba. This is no happenstance. It is because of our natural situation, the cordiality of our people, the certainty of full physical safety people enjoy here, and the good things offered by our society, representing a hope for others.

Tourist activity is not only important for the above-mentioned reasons. It is also important because of what it can provide for the rest of the national economy. It is a showcase for displaying our perfumes, cosmetics, clothing, footwear, saddlery and the whole of our industrial range. For we produce many high-quality articles. And tourism can be the sales agent, sowing seed today with a view to greater harvests as the prestige of these products grows. But are the INTUR shops offering the full variety of Cuban products meeting international standards? No. And this is another aspect in which a radical change must occur.

We do not want to conclude without giving the readers the direct results of this Sixth Scientific Session, the quality of which facilitated the discussion on this most important of themes--improvement in the overall quality of our tourist services.

The award-winning reports were "Speleological Tourism," by Manuel Rivero, Evelio Balado and Eduardo Nieto; "Plan for the Development of National Tourism to the Year 2000," by Idania Gutierrez and Enrique Lanza; and "Improvements in the Quality of Food Offerings," by Orlando Aranzan, Beatriz Garcia, Maria Teresa Adrover, Carmen Viera and Enrique Campuzano.

The Sixth Scientific Session was held under the auspices of the Tourist Studies Center.

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CUBA

LAST GROUP OF TEACHERS LEAVES NICARAGUA; FIVE-YEAR MISSION OVER

Havana GRANMA WEEKLY REVIEW in English 13 Jan 85 p 8

/Text/ Return of last contingent ends cooperation mission to that country.

On the 3rd Augusto, Cesar Sandino contingent of 1500 elementary school teachers that had an enrollment of more than 65 000 children and adults concluded its school year in Nicaragua with results that surpassed those of the previous year.

The departure of this contingent concludes five years of Cuban educational cooperation to the sister nation of Nicaragua.

This was the fifth group of more than 5000 Cuban teachers in all, who have served in Nicaragua, in response to an appeal the Sandinista government put out to the world, shortly after the revolutionary victory of July 19, 1979.

There are now new Nicaraguan teachers to fill the positions held by the Cuban teachers. Of these, 1600 underwent a four-month crash training course in Cuba.

During the past five years, internationalist Cuban teachers have given classes to more than 250 000 children and adults. They also built 784 schools and repaired a further 1500. At their initiative, 300 vegetable gardens were started in schools in remote areas of the country, now tended by the students.

With an average age of 26, the Cuban teachers were organized into 33 brigades, largely in the rural areas of Estelf, Chinandega, Leon, Matagalpa Boaco, Chontales, Managua, Carazo, Masaya, Granada, Rivas and Zelaya Norte.

All the preschool children, more than 99 percent of the other children and more than 96 percent of the adults taught by this fifth contingent passed. These rates are better than those of last year.

Collateral activities of the teachers are reminiscent of work done by young people at the start of the Cuban Revolution: they built 85 schools, repaired 370 and painted 269; they undertook 11 512 hygiene activities in the area; and they participated in 36,832 sports, 33,534 cultural and 25,530 recreational activities.

These 1500 Cubans also encouraged the establishment of 3728 science clubs, carried out 72 998 parental visits and held 10 813 meetings with family members of students. They aided in the school census at the start of the year and advised in the adult education campaign.

'Selfless and Generous' Cooperation

Commenting on the work done by the Cubans, Nicaraguan Minister of Education Fernando Cardenal called it "selfless and generous," adding that it had "represented an approximate savings of 20 million dollars for Nicaragua." He also referred to the "sacrifice involved in being away from the family for two years."

The Jesuit priest stressed that, in addition to the money saved and the educational help, the Cubans had set an example of revolutionary internationalism, dedication and sacrifice.

Antonio Gorosteaga, head of the Cuban educational mission in Nicaragua, stressed the fact that the teachers did not limit themselves to simply teaching; they aided in the construction of latrines and classrooms and participated in vaccination campaigns and other community projects. Right from the start, he recalled, they served in the most remote areas and made great sacrifices at the risk of their own lives, even, as in the case of martyrs Aguedo Morales Reina, Francisco Concepcion Castillo, Pedro Pablo Rivera, Barbaro Rodriguez and Ana Virgen Robles.

The New Nicaragua Agency noted that the Cubans were stationed in the most remote parts of the country, "in the most difficult zones where there had never been a teacher before or where there were no schools."

Vladimir Cordero, vice-president of the National Council of Higher Education of Nicaragua, commented that Cuban cooperation "has been one of the most fruitful we have had since the victory of the Revolution in terms of achievements and the progress made."

Recognition from President Fidel Castro

On several opportunities, President Fidel Castro has praised the work of Cuban teachers abroad. In his speech of March 8, 1980, he said:

"When internationalism and internationalist spirit of Cuban women were talked of here, two examples came to my mind: the Che Guevara Internationalist Detachment working in Angola, made up of women in large measure, and one closer to home, the 1200 Cuban teachers who have helped open hundreds of classrooms and who went to work not in the cities but in the remotest regions of the country, some of which are a three-day journey on horseback; that's even more remote than the Sierra Maestra or Baracoa."

The Cubans who have served in Nicaragua over the last five years have earned the affection and admiration of the people with whom they worked, for their dedication, their modesty, their way of coping with problems and sharing things, their help to the population, and their respect for local law and custom.

CUBA

FIVE-MONTH-LONG WATER SHORTAGE IN HAVANA EXPLAINED

Havana BOHEMIA in Spanish No 49, 7 Dec 84 pp 57-59

[Interview with Pedro Cervino, operations chief of the Provincial Waterworks Directorate, by Susana Tesoro]

[Text] There is a water shortage in the capital, and the best measure thereof is public opinion as expressed at the most recent meetings held for the representatives to render accounts to the voters. The fact is that in not a few places, less water is being received. In others there are shortages with no warning, and in one specific zone in Old Havana, the residents tell us that for 5 months, the pipes into their homes have carried no water. What is the explanation?

We began the search with Pedro Cervino, operations chief of the Provincial Waterworks Directorate.

"Above all, I would like to make a distinction between the general difficulties and the specific case of Old Havana," Cervino began by saying. "Beginning with the rains in June of 1982, all of the subterranean and surface basins were filled, and there was a period of stability in water distribution to the city. But the people must remember that before that period of rainfall, because of another drought crisis, we had taken such steps as regulation of heavy state consumers, the initiation of meter measurement and payment for water, and the 'no leaks' campaign. To this end resources were allocated, we created special brigades and we eliminated hundreds of leaks in the network along the routes, since it has been established that leaks within the household are the responsibility of the occupant. In addition, a complex of projects was carried out to achieve the more equitable distribution of water in the city of Havana.

"By November 1983, the rainfall system was running below the historic average, and for the period of the year already elapsed, only 64 percent of the normal rainfall had been received. The historic average for January to September 30 is 1,186 millimeters, while only 757, or 63.8 percent of that, had fallen."

[Question] In recent months, it has rained heavily in the city but the crisis continues. What is the reason for this contradiction?

[Answer] It would be well to make it clear that it is not how much it rains, but where it rains. Thanks to the capital drainage systems, the water which falls on the city is carried off to the sea, and is lost.

[Question] Haven't any studies of the possibility of utilizing this water been made?

Here engineer Francisco Garcia, deputy technical director of the Waterworks Directorate, spoke up.

Garcia: This is impossible because the system includes catch basins which empty the water into pipes of large diameter, such that gravity carries it down to the sea.

[Question] Where must it rain in order for the capital to benefit?

Cervino: The rain must fall on the subterranean and surface basins in the San Jose de las Lajas, Cuatro Caminos, Managua, Calabazar, Bauta, San Antonio de los Banos, Quivican, and La Salud zones. Within the city, there are a small basin in Santa Fe and dams in Campoflorido.

[Question] What did the Waterworks Directorate do when it was observed that the rainfall was below the expected norm?

Cervino: As the lack of rainfall caused the drop in the water level in the basins, the amount delivered by the pumps declined, in some cases to 50 percent or less of normal. For example, the Vento basin, located between Rio Cristal and San Jose de las Lajas, is basically the supply source for the municipalities of Central Havana and Old Havana. To give you an idea, we could say that in January 206,000 cubic meters per day were delivered to these municipalities, while currently the average is 150,000 cubic meters. In other words there is a deficit of 56,000 cubic meters per day, the equivalent of the water needed by a settlement of 120,000 inhabitants, including that delivered to all social and industrial services but excluding the heavy consumers.

I said that the levels dropped at all the sources of supply, and in addition, they all have reserve pumping systems, and in an attempt to make up the deficit, all equipment was put into use. The "no leaks" campaign was stepped up, above all in the 10 October municipality. The labor day for the brigades was lengthened, doubled shifts were assigned to the water carts, water delivery schedules were adjusted so that consumers would have more time, and thus we proceeded to deal with this situation. However, our greatest difficulties are with the subterranean basis.

[Question] What is a subterranean basin?

[Answer] It is a large reservoir in which great masses of rainwater are collected for use. If the reservoir is not frequently supplied and water is continuously taken out, it goes dry. This is what is happening with the basins.

[Question] Can there be a water shortage because of drought in the zone for 5 months?

[Answer] You are referring to the O'Reilly zone in Old Havana, and I will first explain that this is a municipality with historic water limitations. Why? Because it is the most distant portion of the system for distributing water by gravity which begins at the Palatino tanks. In addition there are obstructions due to the limited capacity of the pipes which supply it, because some of this pipework was installed more than 100 years ago and the main pipeline supplying this zone is more than 80 years old. In addition, this project was installed to serve a much smaller number of residents than we serve today. All of these factors result in limited water pressure, and the upper parts of the municipality are affected.

[Question] Where does the supply for Old Havana come from?

[Answer] From the Vento supply sources, through the Palatino tanks. To give the reader some idea, we might say that the two Palatino tanks have a volume of 60,000 cubic meters, and they are required to supply 56,000 cubic meters per day.

I would like to add that it is not only Old and Central Havana which are receiving less water, for Guanabacoa, East Havana, Regla and San Miguel del Padron are affected too. As a result of the drought, the water being delivered daily, affecting 40,000 inhabitants, is falling about 18,000 cubic meters short of the amount needed.

[Question] Can there be a water shortage without warning in a zone due to drought alone?

[Answer] No, there are other reasons, including unforeseen breakdowns and power outages at the sources of supply. It must be remembered that these basins are outside the capital. In September of this year, for example, there were 207 interruptions of the electricity supply, representing 920 hours the sources were not in use. We should explain that 1 hour without electricity results in 4 hours' disturbance in the water supply, leading to unpredictable instability.

The lack of electricity creates many difficulties which cannot be resolved. There are zones with a water shortage because the source lacked electricity at the time scheduled for delivery, so that it is not possible to provide water to that area until the following day without altering the schedule for all of the municipalities.

[Question] Do you know that in the O'Reilly zone the residents do not have water and have to pay for a weekly water cart delivery, costing them at least 7 pesos?

[Answer] We have not had such a specific report. In addition, the carts the operations office has are not enough, and we send them to the affected zones in such a way as to meet the priority needs. Nor could we send a cart to each house, because we do not have enough.

[Question] Why then is there a charge for the water carts requested by the comrades in Old Havana?

[Answer] I suppose that this is a service provided by the municipal units. I reiterate that the operations enterprise does not collect for water cart service in the affected zones. Now if a customer requests delivery in an area where there is no shortage, because he is cleaning his cistern or making repairs or for some other reason, he is charged a peso per cubic meter.

[Question] How is it possible that difficulties could exist for 4 months without this information reaching the province?

[Answer] It is the municipality which should see that we get a report. From now on, we will be checking on the situation.

[Question] This business of reporting a shortage of water in an area-- couldn't the individual in need do this directly?

[Answer] Yes.

[Question] To whom and how?

[Answer] This goes by municipalities. For Old Havana, Central Havana, 10 de Octubre, Cerro and Plaza, the number to call is 9-7769 or 9-7568, ext. 14, and the address is No 758 San Lazaro, between Vista Alegre and San Mariano, in 10 de Octubre. For La Lisa, Playa and Marianao, one can go to 90th Street and 33rd, or call 20-2268. For Regla, Guanabacoa and East Havana, the address is No 24 Cruz Verde, between Corral Falso and Barreto, in Guanabacoa, and the telephone number is 90-6550. The address for San Miguel and Cotorro is on Calzada de San Miguel, at the corner of 5th, Afan district, and the telephone number is 99-1790. The address for Boyeros and Arroyo Naranjo is No 10407 Meireles, between Dolores and Marti, in Calabazar, or people can call 03-3829.

After looking into the situation of the residents on O'Reilly Street in the municipality of Old Havana (5 months without water), we learned that this was a block with problems caused by the system of pipe installation, such that very high pressure is needed in order for water to reach this area. However, the comrades serving this zone are at the present time (following our investigation) doing technical work to adjust the distribution circuit, not to deliver more water, which is impossible, but to distribute it more equitably. Another solution which can guarantee assistance to these voters is sending water carts without charge.

From Our Point of View

We visited the Vento basin and the Palatino tanks, and in both places we noted (and readers will see this in the photographs accompanying this report) that the water levels had dropped considerably, so that the quantity of water being delivered is ever smaller.

We believe that the root of the problem lies not only with the drought, but also with the lack of coordination between the municipalities and the province on certain basic details. There are other limits which need correction. The "no leaks" campaign brigades can make little progress if they concern themselves only with external piping, while the owners or tenants cannot repair

water leaks within the housing units because of the difficulties in getting the necessary parts and accessories. We know that this matter is under study and is being dealt with, but it has not been resolved.

After studying the real situation, we have concluded that with all its shortcomings and successes, its virtues and its defects, the Provincial Waterworks Directorate will not be able to resolve this crisis we are experiencing alone, although we realize that this is the body with the main responsibility. But if each citizen consumes only the water he needs, turns off faucets except when needed, and makes a personal effort to repair or reduce internal leaks, this would be an incalculable help to those who are now experiencing a shortage and could prevent the citizen himself from seeing his area affected in the future.

5157

CSO: 3248/233

CUBA

600 THIRD WORLD DOCTORS TRAINED IN LAST 20 YEARS

Havana CUBA INTERNACIONAL in Spanish Dec 84 pp 58-61

[Article by Javier Rodriguez]

[Excerpt] Cuban internationalist support in the field of public health to dozens of poor countries throughout the world is well known. This is one of the most beautiful tasks that Cuban professionals, specialists and technicians carry out.

Thousands of Cuban public health workers unselfishly and disinterestedly provide their services in the most remote places, almost always under very difficult conditions. They not only alleviate human pain but also cooperate in the establishment of appropriate structures in the various underdeveloped countries so that these countries can confront this important task themselves.

Therefore, it is not unusual to see Cuban doctors or health technicians everywhere carrying out their daily work surrounded by an appreciable number of students or colleagues ready to profit from the Cubans' experience. This is the positive result of 25 years of effort that has placed Cuba well on the way to becoming a real medical power.

However, in this article we are going to try to talk about another aspect of great importance because of an event that has just occurred. This event has been a constant in the last 20 years in the largest of the Antilles.

In its last school year the Havana City Higher Institute for Medical Sciences, one of the Cuban entities dedicated to training this type of professional, graduated 65 doctors and dentists from 22 different countries with which we collaborate in the health sector.

This event, important in itself as one more expression of the collaboration policy that the revolution carries out, is only part of the results. This higher institute whose great training quality is recognized internationally has already graduated 604 doctors and 62 dentists from various continents under bilateral collaboration pacts and agreements.

Those hundreds of graduates include students from Colombia, Honduras, Guatemala, Peru, Bolivia, Mexico, Argentina, Chile, Ecuador, Panama, El Salvador,

Uruguay, Nicaragua, the People's Republic of the Congo, Morocco, Mozambique, Vietnam, Zaire, Venezuela, Brazil, Palestine, the Dominican Republic and the Republic of Equatorial Guinea.

The graduates have also included youths from Uganda, the People's Republic of Angola, Madagascar, the Republic of Guinea, the People's Democratic Republic of Yemen, Guyana, Jamaica, Niger, Syria, Sierra Leone, Tanzania, Haiti, Cape Verde, Cameroon, Guinea-Bissau, Sao Tome and Principe, Mauritius, Puerto Rico, Laos, Ethiopia and the Western Sahara.

It is important to point out that the work at the Havana higher institute is only part of the reality. Hundreds of other foreign students have obtained degrees in medicine and dentistry in university schools in the provinces of Camaguey, Santiago de Cuba and Villa Clara and hundreds of technicians have taken courses in other specialized schools.

In addition, it can be noted that some of those graduates specialize in different subjects like tropical medicine, very important for some of their countries, before they return to their countries of origin.

7717

CSO: 3248/221

CUBA

BRIEFS

SHOE EXPORTS STATIC--Porto Alegre--The footwear industries in the Vale dos Sinos region in Rio Grande do Sul, which account for about 80 percent of Brazilian exports in this sector, expect to sell 96 million pairs of shoes this year worth \$740 million. These figures are the same as those for last year, according to the estimates provided by the vice president for foreign marketing of the Novo Hamburgo Trade and Industrial Association, Walter Gilberto Broda. This industrialist does not believe that exports will increase, because there was already a substantial increase in sales between last January and December as compared to the same period in 1983, totaling 54.16 percent of all the pairs of footwear marketed. "Thus the trend is toward maintenance of the 1984 effort, despite the difficulties which may arise in 1985," he said, adding that on the other hand there should be an increase in sales on the domestic market, "since it may possibly absorb a part of the production intended for foreign sales." In announcing the statistical summary of 1984 exports, Broda noted that last December alone, the total came to 8,633,000 pairs, worth \$64,140,000, showing a monetary increase of 6.3 percent over that same month in 1983. For all of last year, exports totaled 96 million pairs, while the total was 62 million for 1983, representing \$469 million. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Jan 85 p 25] 5157

INHAUMA CORVETTES CONSTRUCTION--Brasilia--The high command of the navy, in a meeting held in Rio last week, discussed the settlement of matters still pending which must be resolved by 15 March, the date of the changeover in government in this country. One of these matters was the choice of the shipyard to be made responsible for the building of four corvettes of the Inhauma class, which will become a part of the Brazilian fleet. The five proposals pertaining to the shipyards selected by the Naval Bidding Commission, which are Verolme, Emaq, Maua, So/Ebin and Ishikawajima, have already been analyzed from the technical and financial points of view, and the naval high command will rule as soon as certain aspects deemed unclear by naval technicians have been clarified. They have to do in particular with the problem of the disparity in price estimates supplied by the shipyards. There were differences in the budgets submitted of up to 50 percent. The question of financing, according to certain military officers in the ministerial bureau consulted on the matter, has not as yet been entirely defined, although Minister of Planning Delfim Netto met with Admiral Alfredo Karam a week ago. In any case, naval officers say, the matter will be settled by March and the Brazilian fleet can expect the replacement of its present nine Imperial-class

corvettes with the series of Inhauma-class corvettes planned by the navy's naval engineering office. The four planned corvettes (out of a total of 12), with a displacement of 960 tons and a length of 95 meters, will be used to patrol Brazilian territorial waters. Regarding the weapons system, the naval armaments and communications office has already signed a contract with a British enterprise, Ferranti, for the supply of fire control equipment, as well as testing apparatus, documentation, detailed manufacturing data (to make domestic production possible), and a program design center which can provide the corvettes with support. These vessels will be equipped with four ramps for the launching of Exocet MM-38 sea-to-sea missiles and six antisubmarine torpedo-launching tubes. Each will have a British Vickers MK-8 4.5-inch cannon on the prow, and also two Bofors 40-millimeter guns. Each of these corvettes can carry helicopters of the Lynx type, which the navy has already used, on its stern. The second lot of six corvettes will be equipped with Barracuda-type missiles manufactured in Brazil, and will also carry a battery of eight Avibras SSA-1-N antiaircraft missiles. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Feb 85 p 6] 5157

VW'S TO IRAQ--ABC [Santo Andre, Sao Bernardo do Campo and Sao Caetano do Sul industrial section]--Negotiations between Volkswagen of Brazil and Iraq with a view to the largest export contract ever signed by our domestic automobile industry were concluded this week. With the signing of the document setting forth the system of loading, unloading and storing oil in the port of Aqaba in Jordan, it was established that beginning next March, Volkswagen will be shipping 100,000 Passats valued at approximately \$600 million over a period of 2 years. Simultaneously the Iraqi State Organization for Marketing of Oil will be providing about 25,000 barrels of oil per day over the same period, by way of payment. After investing 4.5 billion cruzeiros in the purchase of equipment and the reorganization of its assembly lines early this year, Volkswagen has already begun production of the first export-type Passat units, with slight changes in style and a new panel, among other alterations, like the 1985 model which will shortly be available on the domestic market. This is because the importer requires products brought up to date with the Brazilian market. With this logistic package developed after hundreds of meetings in both Iraq and Brazil (an Iraqi mission was in Sao Paulo this week, and more than 100 Volkswagen technicians are working in the Middle East), Volkswagen of Brazil will have reached a significant figure within 2 years--1 Passat for every 90 Iraqis, taking the 100,000 vehicles in this contract and another 50,000 already delivered in 1983 and 1984 into account. This does not include the five Santana models sent for testing, which may result in further exports. Having already acquired know-how based on the preceding contract, Volkswagen encountered some serious difficulties this time. The main one is the decapitalization of Iraq as a result of the war it has waged since 1980 against Iran. The alternative was payment in oil, which will have to be resold to PETROBRAS [Brazilian Petroleum Corporation], which has a monopoly on imports of the product into Brazil. As the Iraqi oil pipelines are operating at full capacity, Volkswagen signed an \$80 million contract for a fleet of 400 tanker trucks (with an enterprise affiliated with the German Senker) for land transport to the Jordanian port of Aqaba, which is 1,200 kilometers from the Iraqi capital of Baghdad. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Feb 85 p 48] 5157

SPARE PARTS PRODUCTION FIGURES--Over 6 million spare parts were refurbished and produced during 1984, according to the report presented at the spare parts meeting held in the Palace of Conventions. These results reflect a 3 million parts increase over 1983. The areas showing the most improved production were Sugar Ministry, steelworking industry, basic and light industry, among others. The only areas which did not fulfill the production goals were domestic trade, fishing industry, and public health. [Excerpt] [Havana Television Service in Spanish 1800 GMT 20 Feb 85 FL]

NEW AMBASSADOR FROM IRAN--Carlos Rafael Rodriguez, vice president of the Council of State, received his excellency, Mr Mohamed Hassan Fadaie Fard, in a solemn audience yesterday. The latter presented his credentials as ambassador from the Islamic Republic of Iran. Isidoro Malmierca, minister of foreign relations, also participated. After the ceremony, the ambassador accompanied by Mr Mehdi Madani, first secretary, went to the Plaza de la Revolucion and laid a wreath at the monument to Jose Marti. Roberto Melendez, director, and Julio C. Gonzalez, attache, were there from the Protocol Office of MINREX [Ministry of Foreign Relations]. [Text] [Havana GRANMA in Spanish 7 Dec 84 p 1] 7717

DELEGATION FROM SYRIA VISITS--A delegation from the Association for Syrian-Cuban Friendship arrived in Havana last night led by Ahmed Al Assad, vice president of that institution and of the Committee for International Afro-Asian and Syrian Solidarity. Al Assad is also secretary general of the Democratic Socialist Unionist Party which makes up the National Progressive Syrian Front. Ali Sinjabe and Mahmoud Macharka, secretary and member of the Association for Syrian-Cuban Friendship respectively, accompanied him. The visitors were welcomed at the Jose Marti Airport by Rene Rodriguez Cruz, member of the Central Committee and president of ICAP [Cuban Institute of Friendship with Peoples], Mario Rodriguez, vice president of ICAP, and other officials. During its stay here, the Syrian delegation will visit educational and economic centers and historic places at the Isle of Youth, Santiago de Cuba and other provinces. [Text] [Havana GRANMA in Spanish 7 Dec 84 p 3] 7717

CSO: 3248/217

DOMINICA

CHARLES COMMENTS ON POLITICAL, CARICOM TRADE ISSUES

Bridgetown BARBADOS ADVOCATE in English 26 Jan 85 p 3

[Text] Roseau, Dominica, Friday (CANA)--Dominica would welcome observers for its next general elections, constitutionally due by October, Prime Minister Eugenia Charles said here last night.

"I would love to have them here, I would like them to come," declared Miss Charles in response to questions at a 30 minutes televised news conference.

She hinted that the poll would possibly come later rather than sooner. "I have no idea what day the election will be held, there is so much still to be done, so many projects going, so many more to start.

"I want to make sure that the money that I have obtained for Dominica is spent for the projects we ask for it for and (that) nobody could come in after us (and) destroy the foundation we put," declared Miss Charles, whose Dominica Freedom Party (DFP) won 17 of the 21 parliamentary seats in the last poll in 1980.

Commenting on the recent merger of two political parties here to form a United opposition to the DFP in the forthcoming election, the Caribbean's lone woman prime minister said: "It puts them in a stronger position with the electorate."

She dismissed suggestions that her party was finding it difficult to come up with candidates for all 21 constituencies. "The trouble is that in some places there are too many candidates," she quipped.

Miss Charles said the Dominica economy had shown some improvement under her administration and unemployment had fallen to 15 percent.

She said trading with the rest of the Caribbean Community (CARICOM) had improved, though Dominica was not too happy with its current trend.

"I believe it has improved, but I don't think it is something that could be done overnight."

The prime minister said Dominica would soon be holding discussions with Guyana on a return visit to Georgetown by a trade mission from Roseau. Guyana last year sent a business mission here in the aftermath of a trade dispute between the two countries.

DOMINICA

GOVERNMENT EYES VIOLENCE IN GUADELOUPE; DOMINICANS KILLED

Eyewitness Account

FL071904 Bridgetown CANA in English 1802 GMT 7 Feb 85

[Report by Peter Richards]

[Text] Roseau, 7 Feb (CANA)--The Dominica Government today said it was monitoring the situation in neighbouring Guadeloupe where a second Dominican was killed this week in a fresh outbreak of gang violence.

The authorities on the French island, in a statement issued through the foreign affairs department here, said that the Dominican was killed by two of his compatriots in continuing clashes between Guadeloupean and Dominican gangsters. French police have arrested two men in connection with the murder. A quantity of arms were seized, according to the statement.

Last weekend, the French authorities said two people, including a Dominican, had died in the outbreak of violence and that a number of Guadeloupeans and Dominicans were injured.

A foreign affairs official here said the government was using diplomatic channels to seek an end to the violence.

Two Dominican men who fled Guadeloupe because of the disturbances were interviewed on the state-owned DBS radio and said they feared the death toll may be higher. I cannot say how many have died but I know... French nationals that have died and Dominicans that have died, one of the men said. The gangsters are in the road with guns, he added, and accused illegal immigrants of causing the disturbances.

Today the French Consular Agent here, Clarence Butler, said his office was continuing to process visa applications for Dominicans wishing to visit the French island saying that he had not been instructed to do otherwise. The office here, he said, processes an average of 200 visa applications monthly.

Deportation of Dominicans

FL140250 Bridgetown CANA in English 1703 GMT 13 Feb 85

[Text] Roseau, 13 Feb (CANA)--Six Dominicans have been deported from the neighbouring French island of Guadeloupe, as French authorities report they have contained an outburst of violence there that claimed the lives of at least two people, including one Dominican national.

The Foreign Affairs Department here said today the Dominican deportees had been illegal immigrants. They were sent back home for not being in possession of relevant immigrant papers needed to reside in the French-administered island.

The statement said the six were all from the area known as Boissard where the violence which began 27 January between joint rival gangs of French and Dominican nationals left an undisclosed number of persons dead and many others injured.

A French statement said a man had been arrested in connection with the death of one of the victims, but gave no details.

CSO: 3298/406

DOMINICA

INDUSTRY, COMMERCE UNIT SEEKS GOVERNMENT-PRIVATE SECTOR TALKS

FL141622 Bridgetown CANA in English 1605 GMT 14 Feb 85

[Text] Roseau, 14 Feb (CANA)--The Dominica Association of Industry and Commerce (DAIC) said today that it wanted government to initiate a dialogue with the private sector to discuss local investment. The DAIC was reacting to a statement by Home Affairs Minister Brian Alleyne that government was not pleased with the role being played by the private sector in the industrial development of the island.

Addressing the third biennial conference of the Waterfront and Allied Workers Union, Alleyne also said that the established and traditional import-oriented business sector did not perform as well as the foreign and small businessman.

But in a statement issued today, the DAIC, which groups the main body of business people here, said what we, the private sector, wish to say to the ministers is this: Initiate dialogue with the private sector (and) tell us what it is that you expect of us.

The statement said that the DAIC was open to dialogue, which it felt could go a long way towards assisting the growth and development of the private sector.

DAIC President Patricia Inglis told reporters that her organisation is a small part of the private sector here and therefore we can only speak for our membership, and in this instance we would like to invite the minister to initiate dialogue with the DAIC so we can determine or establish where are our shortcomings and what more is expected of us.

CSO: 3298/406

ECUADOR

PRESIDENT FEBRES, SHULTZ TO MEET IN BRAZIL

PA242233 Quito Voz de los Andes in Spanish 1230 GMT 24 Feb 85

[Text] President Leon Febres Cordero has invited National Congress President Raul Baca Carbo and Supreme Court President Gonzalo Cordova Galarza to join the Ecuadoran delegation that--led by the president--will travel to attend the presidential inauguration in Brazil, according to information provided by Foreign Minister Edgar Teran Teran, who said:

[Begin recording] National Congress President Raul Baca Carbo has been consulted regarding the possibility of accepting the president's invitation to join the official delegation. The Supreme Court president is also being consulted about the same thing, so that the three representatives of Ecuador's state branches may attend the president inauguration in Brazil. This does not mean that the executive branch is no longer in charge of international representation; instead, the fact that the three state branches are represented at the ceremony will be a symbol of democratic unity. In addition, it reflects the president's decision to maintain the most harmonious relations with the other state branches.

In addition, I have unofficial information that the National Congress president has unofficially accepted the invitation and even though there has been no formal acceptance, we fully trust that Mr Raul Baca will accompany the president in the official delegation, along with the Supreme Court president. [end recording]

Referring to the meeting to be held by the president with U.S. Secretary of State, the foreign minister said:

[Begin recording] [Words indistinct] above all, regarding bilateral relations with the United States, the U.S. aid to Ecuador, our debt, U.S. investments in Ecuador, and the continental situation--including the crisis in Central America, general matters regarding the debt, the political talks regarding out debt, etc. [end recording]

CSO: 3348/417

ECUADOR

BRIEFS

COORDINATING OFFICE CREATED--President Leon Febres Cordero has issued an executive decree creating a coordinating office for the public sector's labor affairs as a branch office of the Public Administration Secretariat. The newly-created office will be charged with preparing the official land registry of the government's various organizations, institutions, and offices, and will conduct studies on the laws on civil service and the administrative career, wages, economic regulation, and labor code, the state's general budget, and on other pertinent regulations and areas. [Summary] [Quito Voz de los Andes in Spanish 1130 GMT 31 Jan 85 PA]

GOVERNMENT APPOINTMENTS--The following officials were sworn in yesterday: Teresa Minuche de Mera, as superintendent of companies [superintendente de companias]; Marcelo Merlo Jaramillo, as comptroller general; and Guillermo Moran Morbioni, as attorney general. [Summary] [Quito Voz de los Andes in Spanish 1130 GMT 7 Feb 85 PA]

TRIBUNAL MEETS--The Tribunal of Constitutional Guarantees held its first official meeting yesterday. During the meeting Edgar Ponce, president of the Confederation of Ecuadorean Workers and a member of the Broad Front of the Left, was chosen president. (Marco Landazuri), National Congress delegate and member of the Democratic Left, was chosen vice president. In accordance with the current constitutional provisions, the president and vice president will hold their office for a 1-year period. [Summary] [Quito Voz de los Andes in Spanish 1130 GMT 12 Feb 85 PA]

CSO: 3348/417

GUATEMALA

BRIEF

FRENCH CREDIT AGREEMENT--The Guatemalan Government has announced that Guatemalan Finance Minister Leonardo Figuereroa Villate has signed a credit agreement in Paris by which the French Government will lend Guatemala 200 million francs. [Summary] [Guatemala City CADENA DE EMISORAS UNIDAS in Spanish 0050 GMT 16 Feb 85 PA]

CSO: 3248/247

MEXICO

BRIEFS

SOVIET, FRENCH ENGINE PLANT--Mexico City, 1 Feb (NOTIMEX)--The directress of international relations of the Mosdovitch assembly plant, Valentina Petrovich, has announced that the USSR, in collaboration with the French Government, will install an engine factory in Mexico. During a visit to Mexico, where she visited various automobile factories and assembly plants--especially in the northern city of Saltillo, Coahuila--the Soviet official said specialists from Mexico and the USSR will exchange information and technology. After visiting the Franco-Mexican Dina-Renault automotive plant, the details of installing the engine factory were settled [se afinaron]. Petrovich announced that Mexican mechanics and engineers will be invited to take special engine assembly courses in the USSR. [Text] [Mexico City NOTIMEX in Spanish 1859 GMT 1 Feb 85]

CSO: 3248/241

NICARAGUA

GOVERNMENT ANNOUNCES NEW EXCHANGE, INTEREST RATES

PA152324 Managua EL NUEVO DIARIO in Spanish 13 Feb 85 pp 1, 14

[Text] The Central Bank's Directorate Council, in agreement with the executive branch, has decided that as of 12 February a new official exchange rate of 28 cordobas to the dollar will be enforced instead of 10 cordobas to the dollar. The announcement was made during a press conference by Central Bank President Joaquin Cuadra Chamorro who also explained other exchange rates for visible and invisible exports and imports to encourage production and the free exchange market.

The top-level official also established the new interest rates for the various bank loans. He explained the financial policy to encourage savings by increasing interest rates for the short and long-term with or without lottery drawings.

Cuadra Chamorro said that these measures are necessary to reverse the tendencies that the Nicaraguan economy has experienced during these past years due to destabilizing historical factors, the Somozists' looting, earthquakes, the liberation war, international crisis, and the aggression being carried out by the Reagan Administration against the Nicaraguan people.

He also said that the new credit policy will balance the services to state-owned and private enterprises.

He pointed out that the two sectors will have an 80 percent financial limit and that it is expected the private sector will recognize these equal terms.

Minister Cuadra Chamorro, who was accompanied at the press conference by Central Bank Financial Vice President Jaime Valdivia and legal adviser Horacio Arguello, said that the foreign exchange prices will be better adjusted to the Nicaraguan economy's reality.

"It is necessary to separate our foreign exchange policy from the revenues for our public debt," he asserted. He added that each export product will have a different exchange rate, according to costs and prices.

Two Types of Foreign Exchange at Central Bank

Cuadra Chamorro explained that two types of exchange rates have been established at the Central Bank. One will be 28 cordobas to the dollar, and the other is 50 cordobas to the dollar.

Whenever purchased at the Central Bank for exports, the foreign exchange rate will be 28 cordobas to the dollar; different rates will be established for invisible exports. For example, the foreign exchange rate for air freight will be 28 cordobas to the dollar; insurance and reinsurance, 28 cordobas to the dollar; communications coming to the country, 50 cordobas to the dollar; port services, 28 cordobas to the dollar; repayments and investments, 28 cordobas to the dollar.

In addition, the exchange rate for consular fees from embassies and international organizations accredited in Nicaragua will be 28 cordobas to the dollar, and for subscriptions abroad 50 cordobas to the dollar

Guarantee Price

Cuadra Chamorro pointed out that the prices for agricultural exporters will not be 28 cordobas to the dollar; instead, the state will establish a guarantee price that covers costs and leaves a reasonable profit to encourage production. Thus, they will not be subject to variable international prices.

A system of communications and the combining of interests will be established among agricultural exporters as a kind of economic solidarity because some prices will benefit some producers while hurting others. In other words, the exchange rate for exports will not be at the new official rate, but at the guarantee price.

The foreign exchange rate for cash donations will be 50 cordobas to the dollar, according to the figures established in Decree 838. Donations received in the form of goods will be priced and registered at the exchange rate for donated goods.

Sale of Foreign Currency for Imports

Minister Cuadra Chamorro said that the foreign exchange rate for all imports will be classified in three categories: For essential consumer goods, raw materials, and so on, 28 cordobas to the dollar. These goods are basically those found in the Annex A list, comprising the products of the Nicaraguan people's basic food basket, whenever it is necessary to import them (because the products never change).

For imports of nonessential consumer goods, the foreign exchange rate will be 28 cordobas to the dollar.

Chamorro said that foreign exchange rate will be 28 cordobas to the dollar for the purchase of oil and its by-products, including fuel and by-products;

however, this type of exchange rate will be enforced until a new resolution is adopted. Meanwhile, the prevailing rate of 10 cordobas to the dollar will continue.

For the purchase of capital assets, the Central Bank will sell foreign currency at the rate of 40 cordobas to the dollar.

Intangible Imports

In the case of the intangible imports, the foreign exchange rate will be established according to details [as published]. For example, ocean freight will be paid at the rate established for imported goods.

The foreign exchange rate for trips abroad will be 50 cordobas to the dollar; for students, 50 cordobas to the dollar; trips for health reasons, 50 cordobas to the dollar; payment of transportation, ocean freight, wharfage, etc. of Nicaraguan transportation companies such as AERONICA [Nicaraguan Airlines, Inc], 28 cordobas to the dollar.

The foreign exchange rate for paying Nicaraguan employees' salaries in embassies abroad, 28 cordobas to the dollar; embassy expenses, 28 cordobas to the dollar; (diplomatic) expenses abroad, 28 cordobas to the dollar; letters of credit and other banking transactions, 28 cordobas to the dollar; payment of subscriptions (foreign newspaper, magazines, etc.), 50 cordobas to the dollar; commissions, 28 cordobas to the dollar; reimbursements for imported goods and services, and essential expenses, 28 cordobas to the dollar; commission expenses, 50 cordobas to the dollar; disbursements for international communications, professional fees, 50 cordobas to the dollar; reinsurances, 50 cordobas to the dollar; and for credit cards, 50 cordobas to the dollar.

Controls to Be Enforced According to Availability

The Central Bank minister president explained that there will be no free selling of foreign currency; instead, it will always be subject to control according to the country's availability. Foreign currency will be sold according to the amount established by the appropriations commission based on the conditions of this poor country, which is withstanding a war.

Regarding external debts and international and financial contributions, the foreign exchange rate will be 10 cordobas to the dollar because it was negotiated at this official rate. He added that this type of exchange rate includes the public and private sector equally. This is the Nicaraguan Government's policy.

The exchange rate for future debts will be the same as the exchange rate for the goods or services imported at the time.

Complementary Measures

Minister Cuadra revealed complementary monetary and credit measures for the 1985 economic plan related to the interest rates for stimulating savings,

and, above all, for fixed term deposits with or without lottery drawings. The interest rates for fixed term deposits are: 3 months with lottery drawings, 13 percent, and without lottery drawings, 15 percent; 6 months with lottery drawings, 16 percent and without lottery drawings, 18 percent; 1 year with lottery drawings, 22 percent, and without lottery drawings, 24 percent; 4 years or more with lottery drawings, 25 percent, and without lottery drawings, 27 percent, for individuals.

For corporations, the prevailing interest rates will apply with or without lottery drawings. The increase in rates to encourage savings is positive because interests for fixed term deposits have almost been duplicated.

Foreign Exchange Deposits

Regarding foreign currency deposits, the interest rate will be 8 percent. The fixed term certificates will correspond to the term in force with the certificate.

Agrarian and Livestock Products

Regarding interests for short-term agricultural and livestock loans, an interest rate of 18 percent has been established; for long-term agricultural and livestock loans, an interest rate of 20 percent has been established; short-term loans for industrial activities will have a 20 percent interest; long-term loans for industrial activities will have a 24 percent interest rate; short-term loans for agricultural activities will have a 20 percent interest rate; long-term loans for agricultural activities will have a 22 percent interest rate; short-term loans for exported manufactured goods will have a 20 percent interest rate; long-term loans for exported manufactured goods will have a 22 percent interest rate.

For small industrial production, short-term loans will have an interest rate of 18 percent and long-term loans 20 percent. Urban production loans: the short-term interest rate will be 16 percent and the long-term rate 18 percent. Small rural production: the short-term interest rates will be 14 percent and the long-term rate 18 percent.

It has been established that urban home loans will have an interest rate of 16 percent and rural home loans will have an interest rate of 14 percent. Personal loans will have an interest rate of 30 percent. There are other rates for other types of loans. The Central Bank will provide this information at a suitable time.

Minister Cuadra told newsmen that even with the increase in interest rates, these rates are still below the inflation rate increase. These interest rates are not on a par with inflation as supposedly happens in other capitalist economies.

The minister explained that loans for exporting agricultural products are withdrawn gradually and the increase in the interest rates on production costs is insignificant. However, this increase does affect the macroeconomic aspect because the total volume is significant.

Valdivia ratified Cuadra's statements regarding the increases in interests on assets and liabilities.

Free Currency Exchange Market

Minister Cuadra stated that a free currency exchange market has been established for other transactions. This market will be in charge of exchange houses authorized by the Central Bank.

Valdivia said that the revolutionary government wants these exchange houses to function based on the supply and demand principle. Individuals who receive dollars from people who do honest work abroad will not have to exchange their dollars at the Central Bank, but will be able to legally negotiate them in the free market.

"They will face no danger by selling their dollars in authorized exchange houses," Valdivia said. However, for this to occur it is necessary to revoke some regulations on the possession, receipt, and the transference of dollars.

Questions and Answers

Valdivia explained that the exchange houses will open as soon as the legal regulations on foreign exchange are completed at the end of February or the middle of March. If it is necessary to take a free currency exchange bill before the National Assembly this will be done, although free currency exchange does not really alter any law since the Central Bank is the institution authorized to sell and buy dollars. The exchange and the exchange houses would be authorized by this institution.

Minister Cuadra answered several questions from journalists on the effects of these measures. He said the government believes that there will be a 2 percent growth once the 1985 economic plan is carried out. He is pessimistic and prefers not to talk about growth because of the war of aggression that the country is enduring.

He admitted that the new official exchange rate could have inflationary effects, but this could happen only once and these effects would be controlled by complementary measures involving tax reform, credit controls, and salary readjustments.

Cuadra was asked who would benefit and who would suffer as a result of these measures. The minister said that the government does not think the measures will affect the workers, but they will affect the affluent sectors that do not like the revolution but who have benefited from the revolution's economic, financial, and service policies.

Cuadra stated that these economic measures are going to stop the inflationary spiral, will put the country's currency to work, encourage production, and fix guaranteed prices.

Regarding monetary reserves, Cuadra said that there is almost nothing. Whatever foreign currency is received is assigned to priority projects.

It is impossible to work with the IMF, Cuadra said, because it has inflexible conditions that would harm the workers and if the objectives are not achieved, the IMF stops financing projects leaving governments stranded.

CSO: 3248/246

NICARAGUA

BRIEFS

CANADIAN GROUP DONATES TOOLS--Yesterday coordinator of the tools for peace in Nicaragua campaign, of the Canadian Coalition of Aid to Nicaragua [Coalicion Canadiense de Ayuda a Nicaragua], made the symbolic presentation of agriculture and construction tools, medicines, clothes, food, musical and medical instruments, plus the love and tenderness of the Canadian people, to the representatives of the Nicaraguan Government, and mass and labor organizations. Thousands of Canadian laborers, housewives, professionals, and others cooperated in this tools for peace in Nicaragua campaign. This Canadian donation has been estimated at \$2 million. [Summary] [Managua Radio Sandino Network in Spanish 1200 GMT 19 Feb 85 PA]

CANADIAN FARMERS DONATE TIRES--A group of Canadian farmers have donated \$20,000 worth of tires to be used by the Nicaraguan farmers who form the UNAG [National Union of Farmers and Cattlemen]. [Summary] [Managua Sistema Sandinista Television Network in Spanish 0200 GMT 19 Feb 85 PA]

CSO: 3248/248

PARAGUAY

U.S. HUMAN RIGHTS REPORT SCORED

PY262052 Asuncion PATRIA in Spanish 23 Feb 85 p 7

[Editorial: "All the Contrary"]

[Text] Someone else's opinion should not be avoided no matter how much its influence or how noisy its publicity. When someone gives an opinion, he should be forced to demonstrate that he is under a democratic disposition to accept a reply, response, or rectification. This is the case of the U.S. State Department which, as a conclusion to a confusing and erratic report on human rights in Paraguay, ends up recognizing that the government of President Stroessner with the Colorado Party "brought an extremely necessary political stability and economic development to Paraguay." This is the substance of it, because the report is then stained with nasty statements that do not even stand on the basis of the most fanatic and sectorial reasoning.

In fact, the misleading State Department report, which is worthy of the ridicule of the times of the unspeakable Patricia M. Derian during the Jimmy Carter administration, after reaching that conclusion, which can be seen by anyone in our country, makes the cliché that such achievements were made "at a considerable cost to political rights and civil liberties."

This is where the report of the State Department of the leading power in the Free World, the leader of the West, and the champion of Star Wars, fails in an awful diatribe, because it gets away from objectivity and concrete facts.

The U.S. State Department cannot ignore the achievements that have been made in Paraguay. It should know that in the decade of the 1950's Paraguay had to pay for the wrong doings of the dramatic 10 previous years, such as the Nazi-fascism penetration in the spheres of power; the most extreme arbitrary decisions such as the double abrogation of the constitution by decree; and the imposition of a new constitution without a constituent assembly, in addition to the laws on Political Truce and Press Censorship. To complete the picture, the country suffered the breaking up of coexistence among Paraguayans with the 1947 civil war and the later subversive actions of the opposition, which was defended along the borders.

However, it was in the decade of the 1950s that Paraguay left behind instability and improvisation. It was in this decade that Paraguay overcame the torments of conspiracy and violent changes of government and began the national reconstruction by carrying out sustained economic and social development.

The assumption of the presidency of the Republic by General Alfredo Stroessner marked the beginning of a process of transformations that have not stopped. In the 7 preceding years there were seven governments, which should have covered seven complete constitutional terms (35 years). After that there were no longer institutional setbacks, and periodically the people confirmed their option by choosing the leadership of the statesman who pulled the country out of the hole and Paraguayans out of prostration.

In addition to improving the standard of living of the entire people, developing agriculture--the main source of income for the large rural population--and furthering social progress by extending power supply lines, education, and health care, the government has managed to restore the people's confidence, foster coexistence among Paraguayans, and reinstate the value of peace. This attitude has allowed the Colorado Party to resolve its internal disagreements, the opposition parties have agreed to return to normal status, and the Liberals, the Febrerists, and the Radical Liberals did so gradually until we all made it to the National Constituent Assembly, which endowed the nation with a legitimate Constitution in 1967.

All parties are maintaining this attitude to date, although there are dissident factions which have withdrawn from active civic struggle. The smallest of these parties and the one with the most crooked background, the PRF [Febrerista Revolutionary Party], has followed suit. This party's background is fraught with defections, beginning with the betrayal of the popular revolution of 1936 and going on to the conspiracy against the process of democratization in 1946, the active participation in the fratricidal orgy of bloodshed in 1947, the abstention from elections, and the promotion of a "popular front."

Therefore, besides the Democratic Party pluralism that remains effective through the Colorado, Radical Liberal, and Liberal parties, the irregular opposition also freely exercises the right to assemble although, and this is only logical, with a different "status," as is the case in the well-organized democracies. The rights, roles, and functions of the political parties are different from those of mere associations legally authorized and the differences are expressly defined by the national Constitution, which also defines the restrictions and prohibitions, which should not be blamed on the government because it is the sovereign nation, with the participation of all the political parties, the one which has established the laws in effect. The laws that were sanctioned by the Congress afterward did nothing but spell out the constitutional rules, and it is within this boundary that all political activities in Paraguay, the regular and irregular ones, are developing.

Concerning the regular political activities, we can cite the periodic national and municipal elections with their plurality of options and votes. Concerning the irregular political activities, we can cite the periodic national and municipal elections with their plurality of options and votes. Concerning the irregular political activities, nothing more recent and descriptive than the rally recently held in Italia Square, which besides the lack of popular support also revealed the profound divisions of the irregular alliance.

Obviously then, although it is true that "the government led by Stroessner brought much-needed political stability and economic development," it is false and unsubstantial to state that it has taken place "at a considerable cost to political rights and civil liberties." The facts prove that exactly the opposite has occurred.

CSO: 3348/427

PARAGUAY

BRIEFS

PURCHASE OF HELICOPTERS AUTHORIZED--The government has authorized the defense and finance ministers to sign a contract with the Helicopteros del Brasil S.S. [Helicopter of Brazil, Inc] to construct two Esquilo HB350B helicopters worth \$2.76 million. [Summary] [Asuncion HOY in Spanish 31 Jan 85 p 7 PY]

CSO: 3348/427

PERU

PRESIDENTIAL INTERFERENCE IN PROMOTIONS CAUSES NAVY TENSION

Lima EQUIS X in Spanish 29 Oct 84 pp 12-13

[Text] According to well-informed sources, since last Wednesday, October 10, when the names of those recommended for promotion to rear admiral and vice admiral became known, there has been a growing majority within the Navy calling for reconsideration of the action taken, owing to the fact that, in drawing up the lists, a series of irregularities were committed--all of them with the backing of, and instigated by, the government or, more precisely, attributable to the undisguised interference of the presidential palace.

It is not just--or even chiefly--a question of committing an injustice against officers of superior merit by promoting those who have improperly usurped positions and grades that rightly belong to them, but basically one of pursuing objectives contrary to the interests of the organization and the country--objectives actually originating abroad or, to put it more explicitly, with the CIA.

It seems that, recently, with vice admirals Jorge Dubois Gervassi and Ricardo Zevallos Newton as navy minister and commander-in-chief, respectively, the most reactionary and fascistic clique in the Navy looked like it was defeated once and for all. Because, owing to natural selection by the organization itself, those who succeeded the reactionaries through career advancement in the organization's command posts were going to be nationalistic and progressive men of the same stripe and school as Dubois Gervassi and Zevallos Newton, which in a body as conservative as the Navy was signifies a historic change.

Until Gen Velasco's government, the Navy was the CIA's fair-haired child. That is to say, its commanders of the past were, but not the institution as such, which, being the inheritor of Grau's legacy, is above its ephemeral general staffs. With Morales Bermudez, through Vice Admiral Jorge Parodi, the CIA recovered its influence over the high command. But later, under this government and in spite of it, with Dubois Gervassi and Zevallos Newton in charge, it began to lose it again.

And now it is trying to regain it. The CIA's concern over having its influence over the Navy high command reduced is understandable. Any nationalistic and anti-imperialistic movement by the Army and Air Force as organizations could be thwarted by the Navy, as was attempted several times during the Velasco revolution. For this reason, the U.S. services have been very active with the

upcoming promotions in view. They had to reverse a trend that was contrary to their interests.

And, according to a very good source, they found the best possible ally in the presidential palace. And a very favorable circumstance: their candidate for promotion was a relative of Belaunde's through the Cruchaga family. In this connection, and in order to have a valid perception of matters, it should not be forgotten that the Cruchaga Belaundes--whose number is legion--and who are so intimately connected with FBT (Fernando Belaunde Terry), are, for the most part, Chileans. Almost all, given a choice between Peruvian and Chilean nationality, preferred the latter.

The palace's candidate to whom we referred above is Rear Admiral Raul Sanchez, who is on the list of those recommended for promotion to vice admiral. According to official Navy sources, under the regulations, he should in no way be promoted this year, but, because of intensive pressure by the palace, the Navy high command was obliged to place him on the list, supplanting his class' number one and numerous other officers who are more deserving and better qualified professionally. Now, it appears that the former number one and remaining officers are officers with a deeply nationalistic mindset. If they had been placed correctly on the promotion list, the Navy's anti-imperialist orientation would have been assured for the next 10 years.

But the man recommended, who almost certainly would be commander-in-chief within a few years, is Raul Sanchez. He is not only a self-proclaimed reactionary and pro-CIA but also has a history that could make him dangerous to the organization and to the country should he occupy a position of such importance.

In fact, Raul Sanchez may have headed seditious movements encouraged by the CIA during the government of General Velasco, acting in insubordinate and disloyal manner toward his superiors.

In the Navy, he is considered a "white gorilla" or a "naval Pinochet," capable of organizing movements even against democratic governments--if that interests the Americans. His presence in the Navy high command is characterized as dangerous to democracy in the event of APRA (American Revolutionary Popular Alliance) or the United Left's winning the next elections. A friend, who is a rear admiral on active duty, told us: "If, as a commander or lieutenant commander, he organized several uprisings against Velasco, what would he not be able to do against a civilian regime?"

For this reason, a majority of naval officers reportedly held a meeting with the navy minister and commander-in-chief of the Navy to urge them to make the necessary rectifications. Now, they may be turning to the Senate's National Defense Committee, in order that, at least there, the promotion of Belaunde's relative does not go through.

12336

CSO: 3348/108

PERU

UNITED LEFT CAMPAIGN STRATEGY BASED ON 4 FRONTS

Lima EQUIS X in Spanish 27 Jan 85 pp 8-10

[Article by Jorge Luis Acevedo; passages enclosed in slantlines printed in boldface]

[Text] Despite a certain amount of backsliding in the polls, United Left (IU) is undoubtedly one of the two main choices--the other is the Aprist Party--for voters in this year's elections. In the Marxist left, there are always a considerable number of followers who, through fear or excessive caution, do not publicly admit their political persuasion. The true strength of this party, therefore, is not reflected accurately in public opinion polls before the election. Certainly IU's electoral popularity would be much greater at this time if its public image had not been tarnished significantly by the poor record of the municipal government of the largest and most decisive urban center in the country, Metropolitan Lima. It can be deduced theoretically that the municipal election victory has been more negative than positive for IU in terms of its aspiration to become the next ruling party of the republic. This may be so particularly because the party, faced with the possibility of a major weakness--a lack of financial resources for carrying out a satisfactory program--did not launch its campaign with an aggressive attack on government sabotage. This tactic would have been advisable so that those truly responsible for the discredited municipal government could be singled out and appropriately castigated. As a consequence, United Left has had to bear the onerous burden of an obvious erosion of popularity.

Barrantes as Presidential Candidate

At any rate, IU was not in a position to control the unexpectedly high number of votes it garnered in the November 1983 elections. It took Alfonso Barrantes to unite a troubled group of political factions that gravitated toward the center. Barrantes is a very charismatic person himself, and is exceptionally adept at assessing the trends of the moment. For that reason, he was finally chosen as the irreplaceable standard-bearer to help the party attain victory. This was especially important in view of the basic instability of our present situation, in which a vast number of voters behave erratically and in a disorderly manner.

Now, for the presidential and parliamentary campaign, Alfonso Barrantes and his advisers, many of whom do not accept communist dogmatism, are well aware of the handicap that poor city government record represents for IU; they are already making plans to counter the adverse effects. They have also managed to pinpoint realistically the various issues on which IU absolutely must take appropriate action, sector by sector, without any factionalism or line-drawing, forgetting for a while the old and possibly obsolete guidelines of traditional communist /agit-prop./ This is especially true if they intend to win democratic elections, and not--at least for now--to create the specific conditions for a violent revolution.

In this context, the IU presidential candidate, with valuable advice from elements of the independent left (some of them with Catholic backgrounds), has been putting the final touches on his strategy, a campaign program that should be able to counter the aforementioned disadvantages and present an attractive image to various social and ideological sectors. It is hoped that with this plan, whose final draft has been formulated on the basis of an inter-disciplinary, professional approach, the party can achieve the big surprise, even against the well-promoted candidacy of Alan Garcia.

Barrantes' "Secret" Plan

Although the details of this strategic campaign plan are of course secret, EQUIS X has been able to learn some basic features, which we present here.

The campaign will be carried out on four main fronts, in relation to various fringes of the political-social spectrum which will be targeted with specially oriented and calibrated activities.

The /First Front/ is reportedly made up of the members and more or less strong followers of IU, who voted for Barrantes and are a little discouraged. It also comprises those who have drifted away and are doubtful about repeating the vote of November 1983. This sector will be approached through campaigning in low-income areas, including frequent demonstrations and constant agitation. These activities will take place in the shantytowns, factory districts, labor unions, urban and rural cooperatives, etc. The parties that make up IU and their peripheral class organizations will have to make an intensive effort in this regard. So will the city governments that are run by IU politicians, who could hold public rallies in the form of town meetings, as well as various other kinds of street demonstrations. For this purpose they will make full use of spectacular events. On this front, the financial cost will not be very great, because the activist spirit of those who are intimately linked with IU will be used to full advantage.

The /Second Front/ would consist of the left wing of the Aprist Party of Peru (PAP). A proselytism campaign would be carried out in this area, targeted at radicalized elements among the members as well as the periphery of the PAP, especially young people who want their party to move more firmly to the left. It would also try to capitalize on the discontent prevailing among many Aprist grassroots sectors because prominent rightists and people with shady backgrounds have been chosen to run for Parliament on the party ticket, displacing

dedicated and reputable party members who were, moreover, chosen in internal party elections. With regard to the first group, names such as Remigio Morales Bermudez, Manuel Angel del Pomar, Alfredo Barnechea, Ramon Ponce de Leon and others have been mentioned. It is reported that in Cuzco a very popular leader was bumped, and there is a great deal of unrest. Barrantes himself will supposedly direct operations on this second front; he has never made any bones about his previous membership in the PAP, and he uses language that appeals to his former comrades.

United Left and the Pope's Visit

The /Third Front/ reportedly comprises Christians, basically Catholics, who have become quite radical since Vatican II and the action of the /"Christians for Socialism"/ groups. Catholics who openly support Barrantes and who are on the lists of parliamentary candidates (a prime example is sociologist Rolando Ames) would be mobilized to attract these voters. A very important factor in this area will be the upcoming visit of Pope John Paul II. As is known, Barrantes, as mayor of Lima, will personally welcome the Pope and will appear together with him before millions of Peruvians, with the predictable consequences.

The /Fourth Front/ will be composed of the members of Popular Action (AP) who have lower-class backgrounds and center-left, nationalist leanings. They voted for Belaunde, and are now having doubts about supporting the AP ticket, since they are overwhelmingly upset with the presence of Manuel Ulloa on the ticket. He is undeniably an agent of transnational capitalism and is responsible for the economic disaster the country is undergoing today. In addition, this populist sector has traditionally refused to vote for the American Revolutionary Popular Alliance (APRA). In this area, many former populists who are leftist activists today will play a major role.

In general, by taking a leftist stance and harping on the mistakes and blunders, the perfidy and the immorality of the present administration, the IU campaign will try to capitalize on the widespread malaise in the country. It is thought that the Aprist Party, in its attempts to be as pluralist as possible, will not be able to place enough emphasis on a radical policy, and IU will thus be able to move in and win over many sectors of the population. This does not mean that Barrantes and his advisers will succumb once again to the excessive and impulsive acts of the Marxist propaganda campaigns of 1978 and 1980. No, that does not fit in with Barrantes's style or strategy, which is firm but steady and gradual. In the development of these plans, Miguel Angel Mufarech, the executive director of IU's national election campaign committee and an extraordinarily dynamic man, is reported to be playing an extremely important role.

8926

CSO: 3348/358

PERU

LABOR CRISIS, CONFLICTS INVOLVE CHILDREN

PA251934 Havana International Service in Spanish 1800 GMT 23 Feb 85

[Report by Abel Sardinas, PRENSA LATINA correspondent in Lima--recorded]

[Text] The participation of 49 children in hunger strikes alongside their parents is the most dramatic reflection of the Peruvian people's desperate situation as a result of the fact that only a part of the economically active population has steady jobs, wages are low, and there are constant cost of living increases.

To the 11-day long paralyzation of Arequipa, Peru's second leading city, one must add the conflicts among the miners, railroad workers, port workers, doctors, metal workers, civil servants, university professors, brewery workers, and airport workers, to name just a few.

In addition to the dozens of paralyzations [words indistinct] lists of demands, wage increases, [words indistinct] and other issues requested, strikes of indefinite duration will be staged on 5 March by (240,000) civil servants--23,000 from Social Security and 18,000 from the state-run CENTROMINPERU [Central Peruvian Mining Enterprise].

Faced with a lack of response to their demands and weighed down by constant cost of living increases and the deterioration of their wages, the workers have chosen as a means of pressure to accompany their work stoppages with hunger strikes. Lately they have begun including their children in these hunger strikes. Thus 30 children, accompanying their mothers and fathers, have been fasting for 1 week. Their parents are among 132 workers dismissed 2 years ago when the Cristal Ferrand Factory was shut down. Nineteen other children are participating in a hunger strike currently being staged by the metal workers of Fundicion Andina and the wives of 30 of these workers in the cathedral in Trujillo, 570 km to the north. Children also participated in the march of sacrifice made to Trujillo by the miners of [word indistinct] and their wives, a total of 350 people, who are threatening to go to Lima unless their demands are satisfied.

Popular protests are being stepped up only 50 days before the presidential elections. For a long time it has been asserted that the government's party will be defeated and that the traditional rightwing does not stand a chance.

PERU

GENERAL STRIKES ANNOUNCED IN 2 DEPARTMENTS

PA252250 Havana International Service in Spanish 0000 GMT 23 Feb 85

[Text] While workers of the Peruvian city of Arequipa have been on strike for 11 consecutive days, the country's labor situation has been aggravated even further by calls for 24- and 48-hour general strikes in Ucayali and Cuzco Departments.

The Ucayali Defense Front [Frente de Defensa de Ucayali], which includes 30 organizations and the Chamber of Commerce and Industry, has decided on a preliminary strike on 26 February to protest the suspension of work at the Yarancosa thermal energy plant, which affects the whole region.

In addition, the United Front for the Interests of Just Men [Frente Unitario de los Intereses del Justo] has announced that activities in the region will be suspended on 14 and 15 March to demonstrate rejection of the increased cost of living and to demand the cancellation of the gasoline price hike. The strikers will also demand higher salaries.

It has been reported that the Arequipa strike has also affected other departments in the southern part of the country due to the support that this region's workers received from railroad workers' union. According to reports, workers of the state enterprise CENTROMINPERU [Central Peruvian Mining Enterprise] announced Friday that next Monday they will begin a national strike to demand higher salaries and the reinstatement of several workers.

CSO: 3348/414

PERU

BRIEFS

CLASHES, STRIKES, ARRESTS REPORTED--Police brutally attacked a group of peasants during a demonstration in Cuzco Department, Peru. Peasants in that area are on strike, demanding aid from the central government for the agrarian sectors in view of their precarious and miserable situation. Using weapons, the police killed two peasants. Meanwhile, a general strike continues in Arequipa Department, protesting the increased price of fuel and demanding an urgent shipment of medicines and other supplies currently unavailable at the Arequipa hospitals. On another subject, it was learned that 21 people were killed during heavy clashes in Ayacucho and Cuzco. Authorities reported that those killed were presumably Shining Path members. Other reports note that six presumed Shining Path members were arrested in Huancavelica. [Text] [Havana International Service in Quechua 2200 GMT 18 Feb 85]

NAZCA FLOODS CAUSE DAMAGE--Reports from Nazca state that as a result of the floods of Tierra Blanca, and Aja Rivers, which cross this city, there are 3,000 homeless, 700 houses have been destroyed, hundreds of hectares of plantations have been destroyed, highways are blocked, and the Nazca thermo-electrical plant has been paralyzed. Nazca will be without electricity for approximately 8 days until the equipment is repaired. The local police have added that numerous people are being treated for injuries in local emergency hospitals, and that many of them were injured in landslides. [Excerpts] [Lima Radio del Pacifico in Spanish 1200 GMT 26 Feb 85]

CSO: 3348/437

ST LUCIA

LABOR ORGAN CRITICIZES GOVERNMENT SALE OF FORT VIEUX HOTEL

Castries CRUSADER in English 26 Jan 85 p 1

[Text]

In the March 17th issue of this newspaper last year the Crusader informed the Public that the largest Hotel in St. Lucia, the Halcyon Days Hotel in Vieux Fort would be sold by the Government of Prime Minister John Compton in a deal with an American firm wishing to operate a Casino at the Hotel.

This week the deal was sealed with a Fifty-Thousand dollar deposit when Prime Minister John Compton, Liquidator Willie Rapier and a Castries lawyer met representatives of the American firm abroad. The deal was conducted in a hush-hush atmosphere since there were two sensitive areas affecting the transaction. The American firm had requested that all the employees of the Hotel should be laid off prior to the completion of the transaction and secondly, a large number of St. Lucians and Church Organisations were hostile to the idea of a Casino operating on the island.

The first consideration has been met since

the Hotel is now inoperative and all the employees were sent home last year. On the question of public hostility to the Casino idea, Prime Minister Compton intends to proceed with his undertaking to furnish a Casino license confident that the pockets of resistance and public hostility will fade.

In Barbados a similar attempt was made to introduce Casinos on the island and the proposal caused an uproar which forced Prime Minister Tom Adams to abandon the Project. The Churches were foremost in the Campaign to keep organised gambling and the possibility of organised crime out of Barbados. Many prominent individuals in Barbados expressed the view that apart from the moral position taken by the Churches on gambling, they were concerned that the operations of a Gambling Casino would attract many unsavoury international criminals, gangsters and Mafia-types to the island. They argued that the jobless youth and the corrupt institutions could not but fall prey to such influences.

CSO: 3298/408

ST LUCIA

BRIEFS

STUDY OF CO-OP LAWS--CASTRIES, St. Lucia, Thursday (CANA)--The Government of St. Lucia is studying new draft legislation aimed at strengthening the local co-operative framework, according to Minister of Agriculture, Mr. Ira D'Auvergne. St. Lucia was committed to development of the co-operative movement, the Minister said and has identified this area as "having an important role in Government's quest for economic independence." Government, he said, had obtained the assistance of the Caribbean Fund for Technical Co-operation (CFTC) in strengthening the Co-operative Department which had been provided with an expert as its new head. Mr. D'Auvergne said: "Co-operatives in 1984 continued to serve as an important vehicle for achieving economic development and national self-reliance." [Text] [Bridgetown BARBADOS ADVOCATE in English 18 Jan 85 p 3]

CSO: 3298/408

URUGUAY

SANGUINETTI TO HELP FURTHER REGIONAL CAUSES

PA131413 Havana International Service in Spanish 0000 GMT 12 Feb 85

[Report by Manuel Villar--recorded]

[Text] The democratic opening in Uruguay and the main foreign policy guidelines to be followed by the incoming government of President-elect Julio Maria Sanguinetti have confirmed the efforts being made by heads of state and leaders of Latin America and the Caribbean toward the integration and self-determination of Latin American peoples.

Political leaders of various inclinations reached that conclusion in the wake of Sanguinetti's visit to Venezuela. The next Uruguayan president, after 11 years of dictatorship, committed the incoming government's support to regional peace efforts, as well as to the efforts of the Contadora Group.

[Begin Sanguinetti recording] (?Transforming Uruguay into a) peaceful country is one of our most dear objectives. I have said this before. In fact, just days ago, on its anniversary, we sent a note to all the Contadora Group foreign ministers voicing our ardent support to all the group's actions and peace efforts. [End recording]

In statements granted to me, Sanguinetti also said that he will help further the efforts being made by the 25 member-countries of SELA to achieve economic integration and cooperation.

[Begin Sanguinetti recording] We will firmly support all integration efforts of America, that is Latin America, and all peace efforts in the region. Therefore, our presence here in Venezuela is aimed at that: to support SELA and this (?meeting). [End recording]

Regarding Sanguinetti's commitment, SELA Permanent Secretary Sebastian Alegrett said:

[Begin Alegrett recording] We have received extraordinary political support from the new Uruguayan head of state. This is a refreshing reinforcement of SELA's work in Latin America. [End recording]

In addition, Sanguinetti announced that Uruguay will conduct relations with all countries regardless of ideological differences. Regarding this, he confirmed plans to resume relations with Cuba and to establish very good relations with the USSR.

[Begin Sanguinetti recording] We will not condition our cultural and trade relations to any ideological factors. [End recording]

CSO: 3348/389

VENEZUELA

CONTRADORA SEEN AS INDISPENSABLE MEDIATOR

FL210200 Mexico City NOTIMEX in Spanish 2212 GMT 20 Feb 85

[Text] Venezuelan Ambassador to Mexico Guido Groscoors said here today that at the present time the Contadora Group is the only mediator indispensable to achieving peace in Central America.

The diplomat, who had given a lecture at the Seventh International Symposium of Economists said generalized warfare in Central America would already have broken out had the Contadora Group not existed.

The ambassador accused the United States of having a segregationist policy towards Latin America, which has caused disunity between nations from the Rio Bravo to Patagonia and has made them much less able to coordinate efforts to overcome the crisis affecting them.

In Groscoors' opinion, the principal challenge for future generations is the unification of Latin America, which is now very remote but nevertheless indispensable to the progress and development of the countries of Latin America.

GDR Ambassador Joaquim Naumann said the present economic crisis has affected all nations but socialist bloc nations had developed a strategy that has let them confront the crisis successfully. The credit factor is the only important problem of the socialist states, he added.

CSO: 3348/419

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